Missouri Division of Workforce Development

Workforce Investment Act PERFORMANCE HANDBOOK

Understanding WIA Performance

This handbook is a guide to assist local Workforce Investment Act practitioners in understanding the Workforce Investment Act performance measurement system as it is implemented in Missouri. It is to be used in conjunction with Training and Employment Guidance Letters (TEGLs) 7-99, 8-99, and 14-00, that were issued by U.S. Department of Labor, and the various performance policy documents, issuances, and papers that have been issued from the Division of Workforce Development. This was developed to fill in some of the gaps left by the official guidance, and establish a context to understand and evaluate the numbers we will be reporting. It also provides some material specific to Missouri performance policy.

The seventeen performance measures established in accordance with §136 of the Workforce Investment Act (see figure) and defined in TEGL 7-99 were created to assess the outcomes of recipients of WIA services. In addition to being an accountability system, they should be seen as a way to take credit for the accomplishments of clients. The measures are not just "bean counts": they influence what we do as a workforce system in many ways.

WIA PERFORMANCE MEASURES

1. Adult Entered Employment Rate
2. Adult Employment Retention Rate
3. Adult Earnings Change Rate
4. Adult Employment and Credential Rate
5. Dislocated Worker Entered Employment Rate
6. Dislocated Worker Employment Retention Rate
7. Dislocated Worker Earnings Replacement Rate
8. Dislocated Worker Employment and Credential Rate
9. Older Youth Entered Employment Rate
10. Older Youth Employment Retention Rate
11. Older Youth Earnings Change Rate
12. Older Youth Credential Rate
13. Younger Youth Skill Attainment Rate
14. Younger Youth Diploma or Equivalent Attainment Rate
15. Younger Youth Retention Rate
16. Participant Customer Satisfaction Rate
17. Employer Customer Satisfaction Rate

Most of the measures are grouped into four main themes: obtaining employment, retaining employment, increasing earnings, and attaining a credential. They are also tailored to the program group being served, i.e., adults, dislocated workers, older and younger youth. For younger youth there are additional measures covering attainment of skills, high school diploma or equivalent, and retention in one of five areas. There are also two customer satisfaction rates, one for WIA participants and one for employers.

As the saying goes, "What's measured is important and what's important gets measured." There are many elements that workforce development programs can emphasize. By utilizing these elements, this system forces states and local areas to emphasize employment, retention, earnings, and credential attainment for the adult, dislocated worker and older youth clients they serve. It drives emphasis on academic and goal attainment with the younger youth clients.

And customer satisfaction is critical to the whole process. Study the attached WIA Performance Formula Sheet that shows the equations for the seventeen measures. As you do, consider these two questions: 1) *What is the structure of these measures?;* and, 2) *What populations are included in these measures?*. Understanding the first question will encourage areas to administer services according to a certain tempo. The "pace" of the measurement system is based on assessment in the first and third quarters after exit in most cases. This sets up new routines of working with clients. Also, for most of the measures, clients have to be employed to be included in the measures. The second question makes areas think about how populations should be served. This elicits new strategies of serving or even targeting particular clientele. We will discuss these issues in more detail later. Delivering services in a fashion that will optimize performance begins with a thorough understanding of the WIA measures. The following descriptions of the measures will assist WIA staff in beginning that understanding.

Entered Employment Rates
This measure gauges the number of unemployed people who enter employment after receiving WIA services. *Unemployment* here is self-attested, while *employment* is verified by seeing if the client has any Unemployment Insurance earnings in the quarter after exit. It is an achievable measure in that it counts any amount of wages over zero in the quarter as employment. It is limited, however, in that it does not include non-UI paying employment or employment outside of Missouri. Presently DOL is developing the Wage Record Interchange System (WRIS) by which states can exchange UI records for WIA performance. The Division of Workforce Development is also pursuing policies to deal with this issue.

Employment Retention Rates
This measure gauges how well clients of the workforce system retain employment. It measures clients who are employed after they exit the system (whether they were unemployed before they entered or not) and are still employed in the third quarter after exit. In this measure, employment and retention are verified by seeing if the client has any Unemployment Insurance earnings at those two points. This measure assesses a client's ability to remain attached *to the workforce*, in that a client is considered still employed even if he or she is with a different employer than at exit. As with the Entered Employment Rate, if the client shows a sum of wages over zero in the quarters measured, it counts as employment.

Earnings Change/Replacement Rate
This measure assesses the earnings power of WIA clients before and after they were served by the WIA system, and how well that service translated into an increase. To make this comparison, it examines a sample of the earnings of clients before they registered for WIA services and compares it to a sample after they exited. This measure, like the other measures, is limited to those clients who are employed after exit. It also uses Unemployment Insurance wage data as the source to verify employment and compare earnings. This measure uses a six-month sample of wage data (the sum of the second and third quarters before registration/dislocation and second and third quarters after exit) to provide a large enough time frame to account for fluctuations caused by bonuses, severance pay, or late entry into employment. Also with the others, it uses the total of all wages earned from all UI-reporting employers in a quarter. For adults and older youth, the rate subtracts the pre-program from the post-program earnings to get an earnings-change-per-exiter rate. With dislocated workers, the rate *divides* the post-program earnings by the pre-program earnings to get an earnings replacement rate, in the form of a percentage. This makes an allowance for the fact that the

wages of a dislocated worker may be harder to replace than that of others. If a state negotiates an earnings replacement rate of 94%, it means that a placement into employment for a dislocated worker can be a "success" even if it is not at 100% or more of the pre-dislocation earnings. On the other hand, some areas (as well as states) are able to replace pre-dislocation wages at higher that 100%. Later we will describe in more detail the process of comparing rates with negotiated levels.

Employment and Credential Rates

Three of the performance measures under the Workforce Investment Act measure the attainment of credentials by adult, dislocated worker, and older youth clients. Clients have from the time of registration up until three quarters after exit to achieve a credential. The value of a credential for WIA clients is that it provides verification of mastery of a subject that is both *meaningful to employers* and *portable*. A portable credential is something the client can take with him or her in a resume to show to any prospective employer. It has credibility with the employer community and is valued across state lines and across various institutions of higher education and companies. The measure rewards states for helping clients attain this type of document that may give them a "leg up" in competing for a job.

But as far as the performance measure is concerned, the credential must be earned in conjunction with other activities to be "counted". In the case of adults and dislocated workers, this measure is limited to those who *have received training*. Training is defined as receipt of a training activity, signified in Missouri's WIA case tracking system, the Toolbox, with a 300-level designation. The definition of training in TEGL 7-99 includes WIA-funded and non-WIA funded partner training services (see definition here). Therefore, a client can receive WIA funded core and intensive services, and later be referred to a partner program to receive a particular type of training. If so, it is imperative that case managers input a WIA 300-level activity for this training and maintain contact with the partner so they can exit the client upon completion of training. If this information is not properly tracked and entered, the client can soft exit and show poorly in the employment measures, (since he or she will be in training and not have any employment). All WIA-funded training activities/programs must be approved by the Department of Elementary and Secondary Education as required by WIA Section 122 and Issuance 09-00. And although a client may attain more than one credential, only one can be counted toward the measure.

Training Services - include WIA-funded and non-WIA funded partner training services. These services include: occupational skills training, including training for nontraditional employment; on-the-job training; programs that combine workplace training with related instruction, which may include cooperative education programs; training programs operated by the private sector; skill upgrading and retraining; entrepreneurial training; job readiness training; adult education and literacy activities in combination with other training; and customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

This measure is also limited to those who have entered employment. Employment is defined as showing Unemployment Insurance earnings in the quarter after exit. The older youth credential rate includes those who were in employment *or* post-secondary *or* advanced training in the first quarter after exit and received a credential. In effect, all older youth clients will want to work toward a credential.

A few words about what actually constitutes a credential: Under the Workforce Investment Act, credential takes on a new, broader meaning. TEGL 7-99 provides a broad definition for what can be counted as a credential (see definition below) and delegated to the States the obligation of refining the credential definition to be appropriate for state and local needs. The Division of Workforce Development accomplished this with DWD Issuance 7-00 (attached), which provides for three basic types of credential for use in determining WIA performance: 1) a certificate from an eligible training provider; 2) a state recognized academic degree, like an associates degree, a high school diploma or GED; or 3) a locally-defined credential. This issuance was developed in conjunction with local area practitioners and WIA partner representatives, and provides options for counting a variety of recognized certifications. Some have suggested that a CDL (Commercial Driver's License) or HVAC (Heating/Ventilation/Air Condition) certification are good candidates for Option C credentials.

What's a "credential"?

- **Credential-** nationally recognized degree or certificate or State/locally recognized credential. Credentials include, but are not limited to, a high school diploma, GED or other recognized equivalents, post-secondary degrees/certificates, recognized skill standards, and licensure or industry-recognized certificates. States should include all State Education Agency recognized credentials. In addition, States should work with local Workforce Investment Boards to encourage certificates to recognize successful completion of the training services listed above that are designed to equip individuals to enter or re-enter employment, retain employment, or advance into better employment. (TEGL 7-99)

Think creatively about what sorts of credential can be approved by your Workforce Investment Board, within the context of the guidelines established. The Division is also considering broadening the credential definition to include more automatically approved (Option B) credentials. Please forward any credential suggestions to Planning and Research.

Younger Youth Measures

The younger youth (YY) measures have a different focus than the others: they are tailored more to the needs of the 14-18 year old clients. There is less emphasis on employment, and more on capturing intermediate or incremental steps toward self-sustaining employment.

The YY skill attainment rate takes information from the goals established as part of the youth's Individual Service Strategy and translates them into a measure. A youth can set up to three goals a year in any combination of basic, work readiness, and occupational skills, and has up to a year to achieve them. The year interval for at least the first goal begins at the registration date, and no more that three goals can be set between then and the anniversary date. The interval for other goals begins with the date set and elapses one year later. These dates can be entered in Toolbox as shown later. This measure counts the number of goals attained in a particular report quarter and divides it by the number of those goals set up to a year earlier. If in your area, youth typically attain 75 out of 100 of every goal they set within one year, the area has a 75% skill attainment rate. The population for this measure is limited to those in-school and out-of-school youth assessed to be in need of basic, work readiness, or occupational skills.

What is the right strategy for goal setting with Younger Youth? Some areas have suggested youths should set *high level* or *multiple* goals to help them “stretch” their potential. Others have stressed being *minimalistic* in goal setting to optimize the efficiency with which they are attained. As with many aspects of WIA policy, this is a local call. Consider the economic and demographic characteristics of your youth, as well as your area’s history in achieving youth competencies, in setting projected future levels for skill attainment.

The Diploma or equivalent attainment rate measures those younger youth that attain a high school diploma or GED from the time of registration to the end of the quarter after their exit quarter. The Retention Rate measures the number of youths who appear in post-secondary education, advanced training, employment, the military, or a qualified apprenticeship in the third quarter after the exit quarter. Areas have to enter status in these five activities in the first *and* third quarters. The following chapter on Data Sources shows how to do this.

As with the other client groups, *partner agencies* have the ability to provide (and fund) services to youth clients that will enable areas to attain these measures. For example, WIA-registered youths can access a GED, advanced training, apprenticeships, and many other services by way of co-enrollment in Job Corps. Consider how these partnerships can result in improved service delivery and performance, in these times of limited funding.

Customer Satisfaction Measures

The customer satisfaction measures are based on the American Customer Satisfaction Index (ACSI), a widely used survey instrument developed by the University of Michigan Business School. It uses three basic questions asked via phone survey, which are answered on a scale of 1 to 10 (seen here):

WIA Performance Measures

Customer Satisfaction Rate

Participant and Employer

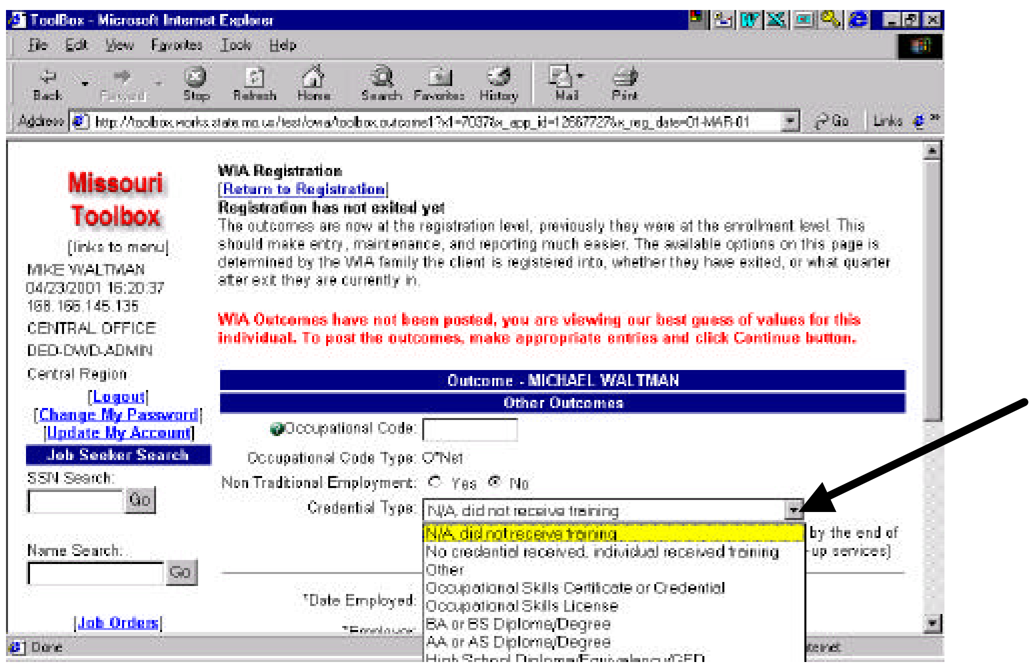
The weighted average of participant/employer ratings on each of the 3 questions regarding overall satisfaction reported on a 1-10 scale

- **What was your overall satisfaction with the services provided?**
- **To what extent have the services met your expectations?**
- **How well do you think the services you received compare with the ideal set of services?**

The responses are averaged, weighted, and transformed into a percentage rate, which gives an indication of overall satisfaction. The weights are state-specific constants used to minimize measurement error. They are issued yearly by Claes Fornell International (CFI), a co-sponsor of the measures. States must have 500 completed surveys each year for both participants and employers. In Missouri, this function will be conducted at the State level by the Division of Workforce Development. The process is mapped out in TEGL 6-00 and slightly modified in TEGL 14-00. While these measures are adequate for an accountability measure, they do not provide the specific feedback from customers that will drive particular changes in the improvement of service delivery. Local areas must continue to offer increasingly responsive ways to gather data from customers that will give them ways to create higher levels of satisfaction, and subsequently, better word-of-mouth advertising and more repeat business.

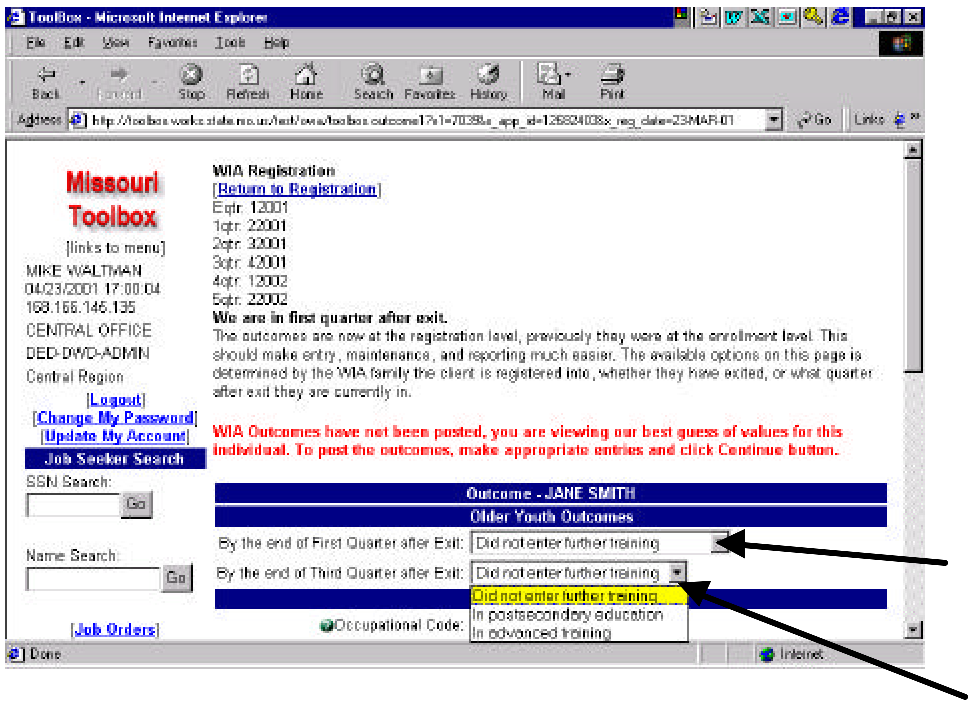
Data Sources for the WIA Measures

You can see in the technical guidance how the measures are calculated, but you may wonder how the data for the formulas is put together. There are many disparate ways of generating the WIA rates: they range from using spreadsheets and database programs to more complex methods. Missouri's system tends more toward the latter; it actually manipulates WIASRD (WIA Standardized Record Data) elements in a fashion comparable to the system proposed at the federal level to aggregate data from each of the states to create national levels of performance. Missouri's Toolbox system uses a series of embedded equations which incorporate the data from the WIA registration, enrollment, and activity, as well as Unemployment Insurance Earnings data, and local follow-up data to approximate the formulas. It is the last of these that requires a great deal of understanding to collect. While the State will access UI data to verify employment, and the initial client information will be gathered at WIA registration, local areas will have to *manually input* follow up data in the fields and drop down boxes in Toolbox. If this local follow up data is not properly entered, the local area will not get proper credit for this outcome. See the Jan 29, 2001 memo, "Entering WIA Registrant Data in Toolbox for Performance" for more guidance on which data elements in the measures require local follow-up and input (attached). For your reference, here are the items that require follow-up entry:

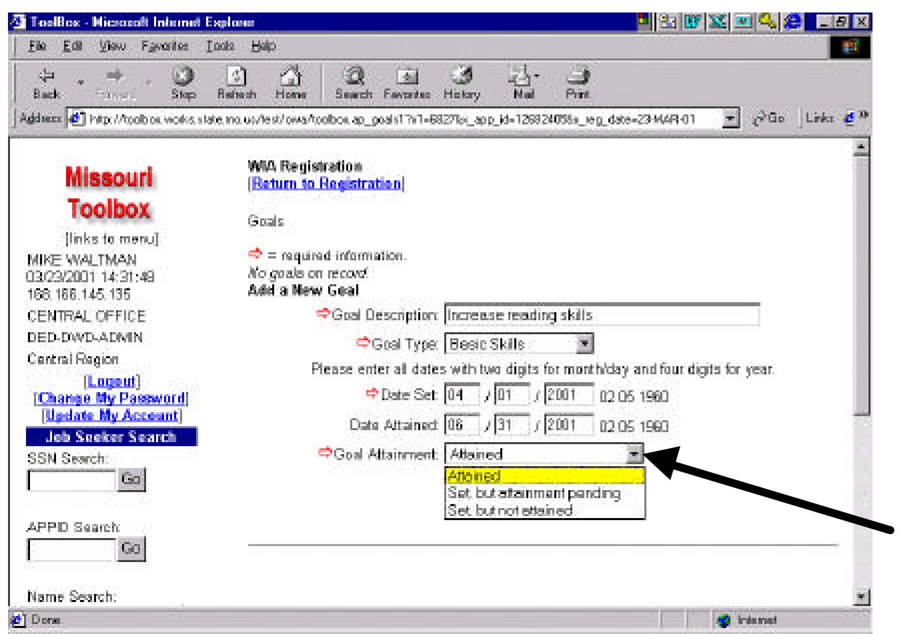


The Adult, Dislocated Worker, and Older Youth Employment and Credential Rates: If the client has attained the credential within three quarters after exit, areas will enter it in Toolbox as an "Outcome" under "Credential Type" (shown here). There are eight options here, including type of credential, i.e., Occupational Skills License, BA or BS diploma/degree, etc. (If it was a credential received pursuant to Option C of Issuance 07-00, "Locally-Defined Credentials", select "other"). You should also select "No credential received, individual received training" or "N/A did not receive training" where applicable. This can be entered before or after the client exits.

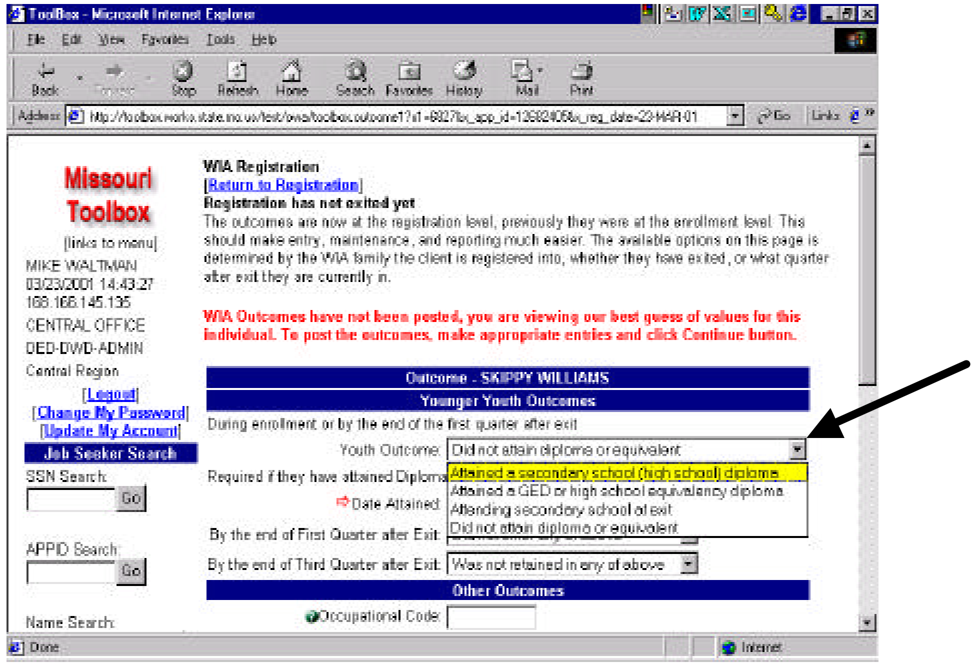
All four Older Youth Measures: Entry into *postsecondary education or advanced training* must be assessed in the *first* quarter after exit and the *third* quarter after exit for older youths. In both cases it must be entered locally from follow-up input as an “Outcome”. There are three options in this outcome, including “Entered postsecondary training”, “Entered advanced training”, and “Did not enter further training”.



All three Younger Youth Measures:
The YY Skill Attainment Rate is calculated *solely* using locally inputted data. The case manager must input each goal set as part of the client’s individual service strategy under “Goals”, and later input whether the goal was attained. This option will allow entering of a Goal Description, Goal Type (Basic Skills, Occupational Skills, Work Readiness), Date Set, Date Attained, and then Goal Attainment (“Attained”, “Set but attainment pending”, and “Set but not attained”).

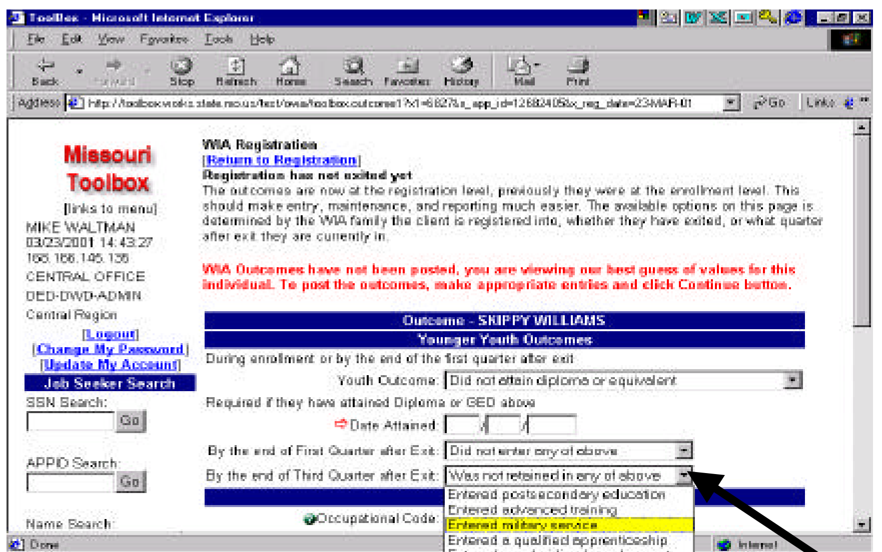


The YY Diploma or Equivalent Attainment Rate counts the number who attained a secondary school diploma or equivalent by the end of the first quarter after exit (of those who registered without one). It must be entered as an “Outcome”, under “Youth Outcome”. This has four options, including “Attained a secondary school (high school) diploma”, “Attained a GED or high



school equivalency diploma", and "Did not attain diploma or equivalent." This drop-down box also contains the "Attending secondary school at exit" entry. *It is crucial to enter this for all younger youth for whom it applies, because it is the way Toolbox removes them from the Diploma and Retention rates, in accordance with the prescribed formulas*.

The YY Retention Rate measures those who were in postsecondary education, advanced training, employment, military service, and qualified apprenticeships in the *third* quarter after exit. Although the measure looks at the third quarter, areas have to enter a youth's status in these five activities in the first *and* third quarters. There is also an option for "Did not enter (or "Was not retained") in any of the above".



Be advised that areas must gather and enter data on clients with exit dates all the way back to 10/1/1999 for all of the measures, except the Skill Attainment Rate and outcome information Diploma or Equivalent Attainment Rate, which use exiters beginning with 7/1/2000. As outlined in TEGL 7-99 and 14-00, exiters from 10/1/1999 to 6/30/2000 (three quarters of converted JTPA data and the first WIA quarter) will be included in the PY 2000 Quarterly Reports. This data is cumulated, so the rates in each successive quarterly report will include data from previous quarters in the program year.

The accuracy of WIA Performance Reports will depend on good, precise local data entry by way of the drop-down boxes shown above. The Division does not want to see any local area suffer because of artificially low performance caused by incomplete data entry.

Interpreting the WIA Measures

By themselves, the measures mean nothing. To understand and interpret the levels of the different measures, you need to know the basis of comparison. The WIA measures use *baselines*.

Baselines are an indication of past performance; a data-driven, reality based milestone of where performance was at a given time. As outlined in TEGL 8-99, the State established baseline levels of statewide performance based on JTPA historical data, and negotiated with the Department of Labor expected levels of performance for each of the 17 indicators for each of the first three program years.

WIA STATE NEGOTIATED LEVELS OF PERFORMANCE		Performance Goals Out-Years		
WIA Requirement at Section 136(b)	**Previous Year Performance**	**1**	**2**	**3**
ADULTS				
Entry into Unsubsidized Employment	65%	68%	71%	75%
6-Months Retention in Unsubsidized Employment	80%	80%	82%	84%
6-Months Earnings received in Unsubsidized Employment	$3,041	$3,194	$3,346	$3,498
Attainment of Educational or Occupational Skills Credential	7%	45%	50%	60%
DISLOCATED WORKERS				
Entry into Unsubsidized Employment	72%	73%	76%	79%
6-Months Retention in Unsubsidized Employment	89%	89%	90%	91%
6-Months Earnings received in Unsubsidized Employment	94%	94%	95%	96%
Attainment of Educational or Occupational Skills Credential	4%	45%	50%	60%
YOUTH AGED 19-21				
Entry into Unsubsidized Employment	51%	56%	60%	63%
6-Months Retention in Unsubsidized Employment	78%	80%	81%	82%
6-Months Earnings received in Unsubsidized Employment	$3,697	$3,750	$2,805	$2,900
Attainment of Educational or Occupational Skills Credential	46%	49%	37%	40%
YOUTH 14-18				
Attainment of Basic, Work Readiness and/or Occupational Skills	86%	87%	89%	90%
Attainment of Secondary School Diplomas/Equivalents	22%	50%	52%	55%
Placement and Retention in Post-Secondary Education/ Training, or Placement in Military, Employment, Apprenticeships	60%	61%	63%	65%
PARTICIPANT CUSTOMER SATISFACTION		68%	69%	70%
EMPLOYER CUSTOMER SATISFACTION		66%	67%	68%

The State submitted this information shown above as part of the Missouri Workforce Investment Act State Plan. It reflected: the extent to which the expected levels of performance will result in the State attaining a high level of customer satisfaction; how the expected levels of performance compare with projected national averages; how factors such as economic conditions, the characteristics of participants when the participants entered the program, and how the services to be provided contributed to the development of the expected performance levels. States will submit their expected performance levels for the fourth and fifth years of their program following this guidance in the form of plan modifications. Missouri may also modify some of the baseline rates shown.

The other issue that must be understood in interpreting the WIA measures is what constitutes an *acceptable* level of performance. TEGL 8-99 describes the way the measures are totaled for comparison to the baselines for implementation of incentives or sanctions.
To receive an incentive grant, the State must meet WIA measures, the Adult Education and Literacy measures, and the Perkins Vocational Education measures. Acceptable WIA performance is defined as 1) not letting any of the 17 measures fall below 80% of the

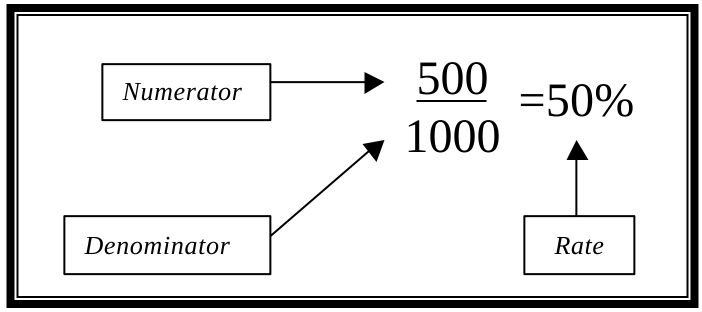
negotiated performance level; and 2) achieving a 100% cumulative score for each program area. Missing any one measure disqualifies the State for incentives.

The example below illustrates both scenarios for looking at performance levels. From the first column, "Year 1 Projections" you can establish 80% thresholds for each of the measures, i.e., 56 X .80 = 45 for the Adult Entered Employment Rate. Again, if any performance level falls below this threshold, the State is ineligible for incentives. The second column, "Actual Year 1 Performance" shows a state's yearly score on each of the measures. From this, you can divide each by the projections to see to what degree the projection was met. Performance in the Adult Earnings Change Rate in this case was 86% of the projected rate ($2,579/ $3,000=.86) as listed in the "% of Proj." column. Averaging each of these gives a cumulative score for each program area. If any of these scores falls below 100%, the State is ineligible for incentives. In the example here, *this state is not eligible for incentives* since, even though it did not drop below 80% for any individual measure, it scored 98% in the cumulative Youth program area. Apparently, none of the youth scores was high enough to compensate for the 89% Older Youth Earnings Change Rate. This is a good example of how important it is to stay on top of all elements of this system. One low score can ruin a State's chance at incentives.

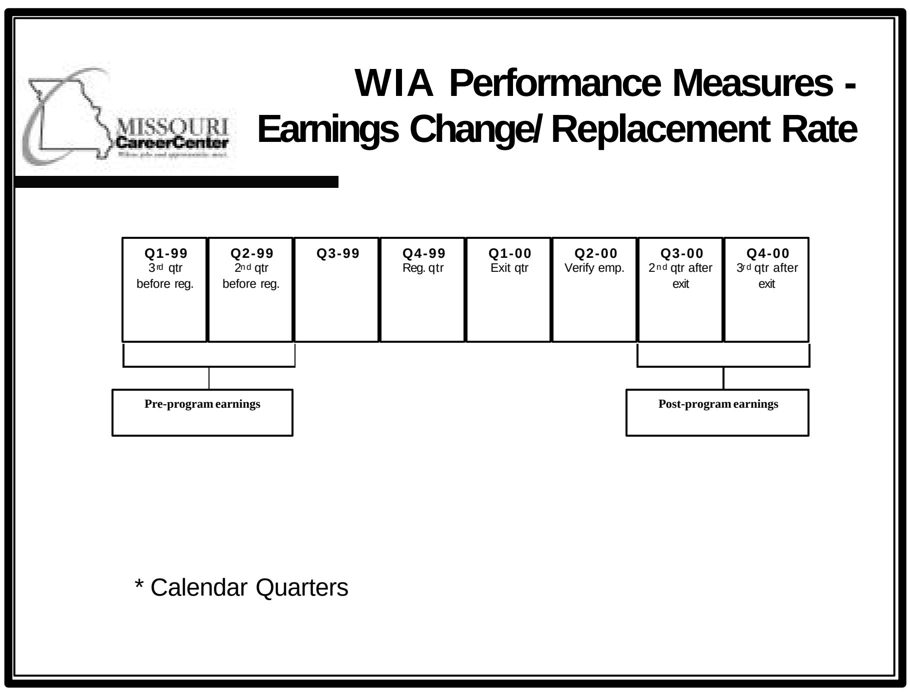
WIA Performance Measure **EXAMPLE**	**Year 1 Projections**	**Actual Year 1 Performance**	**80% Threshold**	**% of Proj.**	**Program Area**
Adult Entered Employment Rate	56	75	45	1.34	**1.09**
Adult Employment Retention Rate	65	80	52	1.23	
Adult Earnings Change Rate	3,000	2,579	2,400	0.86	
Adult Employment and Credential Rate	15	14	12	0.93	
Dislocated Worker Entered Employment Rate	62	80	50	1.29	**1.15**
Dislocated Worker Employment Retention Rate	66	76	53	1.15	
Dislocated Worker Earnings Replacement Rate	750	605	600	0.81	
Dislocated Worker Employment and Credential Rate	15	20	12	1.33	
Older Youth Entered Employment Rate	41	39	33	0.95	**0.98**
Older Youth Employment Retention Rate	45	46	36	1.02	
Older Youth Earnings Change Rate	2,250	1998	1,800	0.89	
Older Youth Credential Rate	26	24	21	0.92	
Younger Youth Skill Attainment Rate	50	54	40	1.08	
Younger Youth Diploma or Equivalent Attainment Rate	19	20	15	1.05	
Younger Youth Retention Rate	49	47	39	0.96	
Participants Customer Satisfaction Rate	65	77	52	1.18	**1.22**
Employers Customer Satisfaction Rate	65	81	52	1.25	

Analyzing the WIA Measures

With all the data used in the WIA performance system, it may be best to remember a few basic aspects of the mathematics of this system. For one, the WIA measures are *rates*, which use a raw number divided by another raw number to create a percentage. The “top” number is the *numerator*; the bottom number it is divided by is the *denominator*. For an Older Youth Entered Employment Rate where 500 out of 1000 older youth exiters enter employment, the numerator, 500 and the denominator, 1000 form the 50% rate.



While rates can make for a good measure of efficiency, they are not an end unto themselves for evaluating progress. Technically, reducing the denominator while keeping the numerator constant makes for a higher rate (i.e., 500/900=56%), but areas are certainly not encouraged to serve fewer clients to achieve a higher rate. This is why local areas (and the State) are evaluated *both* on raw numbers served and the rates of success. The objective of areas should be to serve as many clients as possible through marketing and outreach, while serving them as efficiently as possible by implementing quality services and continuously improving. Knowing these basic tenets of the system lays the foundation for further analysis.



Beneficial use of data depends upon having valid sources of data. It is often asked, “How can local areas manage clients to maximize the employment-based measures, since they cannot access Unemployment Insurance wage data?” The best way to create manageable data is to do some creative extrapolation with the data you do have. One way to do this with the Earnings Change figures is to approximate earnings rates by using reported previous hourly wages and reported wage at placement. In the example below, a client reported during the intake process that he lost his job at which he worked the last four months at $6.75 an hour. Before then he was unemployed.

Knowing the structure of the quarters used in the measure is the critical first step. See the illustration above. In this graph, the client registered in calendar quarter 4 of 1999 and exited in calendar quarter 1 of 2000. For this measure, the second and third quarters before registration are considered for pre-program wages. Therefore, calendar quarters 1 and 2 of 1999 are the period used to evaluate pre-program wages, and quarters 3 and 4 of 2000 are used to evaluate his post-program wages.

First, the hourly wage must be extrapolated into a two-quarter interval, but only for the time actually worked in that interval. This client worked *for the last four months*, therefore only one month or wage earning was part of that interval. Multiplying the 173 hours of that month (2,080 hours in a work year/12) by $6.75 equals $1,168 in pre-program wages.

After a successful period of being served in the workforce system, the client enters employment at $8.50 an hour. Through follow-up, the case manager finds that he remains with the employer for the next nine months. The post-program earnings will be comprised of the second and third quarters after exit. Since the client has UI earnings in the quarter after exit (calendar quarter 2 of 2000, in this case), he is eligible to be included in the earnings change rate. Given that, you can then determine the following six months of earnings by multiplying the 1040 work-hours of that period (2,080/2) by $8.50 to equal $8,840 in post-program wages. As per the formula, you subtract the pre- from the post- to arrive at an earnings change figure for this client of $7,672.

Pre-program Earnings	1 month (173 hours) X $6.75/hr. =	$1,168
Post-Program Earnings	6 months (1,040 hours) X $8.50/hr. =	$8,840
Individual Earnings Change		**$7,672**

Recall that the WIA measure is an *average* earnings change that is the aggregate of many clients from this exiter cohort. For each case like this with a large earnings change, there may be others with little or no earnings change, or even earnings decreases. Notice in the example below of how the actual Adult Earnings Change Rate will be calculated, the differences in individual earnings vary widely. By summing the earnings, subtracting the total pre-program from the total post-program earnings, and taking the *average* (the total difference divided by 6 exiters), you arrive at the Adult Earnings Change Rate for this population. In short, this says that in this area the average adult client's earnings increased by $3,237 after receiving services under the Workforce Investment Act. The average earnings change rate for adults in Missouri is around $3,200.

n	Pre-program Earnings	Post-Program Earnings	Adult Earnings Change Rate
1	$1,168	$8,840	$62,822 - $43,402 *divided by* 6
2	$5,000	$8,890	
3	$14,045	$18,332	
4	$7,985	$10,000	
5	$6,211	$ 3,993	
6	$8,993	$12,767	
	$43,402	**$62,822**	**$3,237**

Another way to use data from the earnings change is to *reverse* this process to find what level of earnings a client would need to meet or exceed the negotiated rate. To do this, take a negotiated average earnings change figure and extrapolate what level of increased hourly earnings it would take to approximate the negotiated rate. See the example for one way to do this. Here, the negotiated earnings change of $3,600 means that the average client in this area must increase his earnings by an average of $3.46 an hour over his previous earnings level to make this meet or exceed this measure.

Adult Earnings Change Negotiated Performance Level for Area X:	$3,600
$3,600 /6 months (1040 hours) =	$3.46

Applying the Analysis

Once you have an understanding of the structure and relationship of the measures, you can begin to develop strategies to enhance service delivery in a way that maximizes your area's performance. One good example of this is with the earnings change measures. The earning change measure is especially demanding since it forces clients and case managers to think about the *quality* of the employment. Staff must consider the earnings-generating capacity of a client's post-exit occupation relative to the pre-registration occupation. Thus, a $24,000 a year job may be quite satisfactory to the client. However, if the client was an adult or older youth and had a $24,000 a year job coming in, the earnings change for the client is *zero*. If he or she was a dislocated worker and had a $48,000 salary coming in, the earnings replacement rate is 50%. Now, it must be emphasized that these measures use *aggregate* data that are the *sum* of all of the recipients' earnings. This sum is made up of the results of individuals, however, and thinking of it in these terms does illustrate the dynamics of the measure. Again, it is important to serve as many people as feasible, at the highest level as possible to lessen the impact of individuals that may perform poorly.

Some strategies to increase this measure include delivering the type of services to allow the client to a*dvance to a higher salary position* at or soon after entering employment. Areas should make sure a client is retained in WIA until he has received adequate services to *advance* in the workforce, more so than just entering it. It is also advisable to provide follow-up services *after* exit to maximize earnings attained. This approach is different from JTPA in which the follow-up function was limited in scope and consisted primarily of gathering information. Other strategies may deal with targeting of clientele who may benefit most from WIA services. Some have argued that it may be advisable to target the unemployed in marketing and outreach efforts, since they will have little or no pre-program earnings. This would be a local decision. Under WIA, measures such as the Earnings Change/Replacement Rate necessitate strong post-exit strategies and more proactive follow up. See the Dec. 21, 2000 memo, "Managing Workforce Investment Act Exits and Follow-up Services" (attached) for more information on making the most of these strategies. Also consider developing your own strategies at the local level to strengthen follow-up activities to maximize post-exit outcomes. Use your knowledge of the performance system to maximize the impact of WIA services for customers.

Interpreting Local WIA Performance

Periodically, the Division will distribute WIA Performance numbers broken down by area. As indicated in the guidance, performance is used at the State level for federal reporting and for incentives and sanctions. This information should be used with other information to help local areas create a picture of how well they are doing. Areas should keep a few things in mind when evaluating these local numbers:

- *Understand what is being reported in each rate*. The Adult and Older Youth Earnings Change measures are presented in dollar-per-exiter form. They illustrate the earnings increase of the average WIA client in those program areas. The Dislocated Worker Earnings Replacement Rate is the percentage at which the average DW client replaced his or her pre-dislocation earnings level. The Adult and Dislocated Worker Credential Rates show the average number of clients who attained a credential *who were also employed and received training services*. The Older Youth Credential Rate shows the number who received credentials *who were also in employment, postsecondary training, or advanced training*. (Remember that a client must make it over *all* the "hurdles" to be included in the measures.) In general, it is a good idea to study the formulas to know who is being reflected in the measures and which time period it covers. Closely examine TEGL 14-00 Attachment F for this information.

- *Performance is judged in reference to the baseline.* Just as the State did with negotiated levels of performance, local areas have developed local projections of how well they expect to perform in the performance measures. In accordance with the planning guidance, areas should consider economic factors of the area, demographics of customers, potential collaboration with partners, and past levels in deciding what target of performance is appropriate. Once that is established, each quarterly figure is judged relative to that target. The Local Plan Modification process gives areas the ability to revise projections to make sure they are as current and precise as possible. See Attachment 24 of the Missouri State Workforce Investment Plan for more information on projection development.

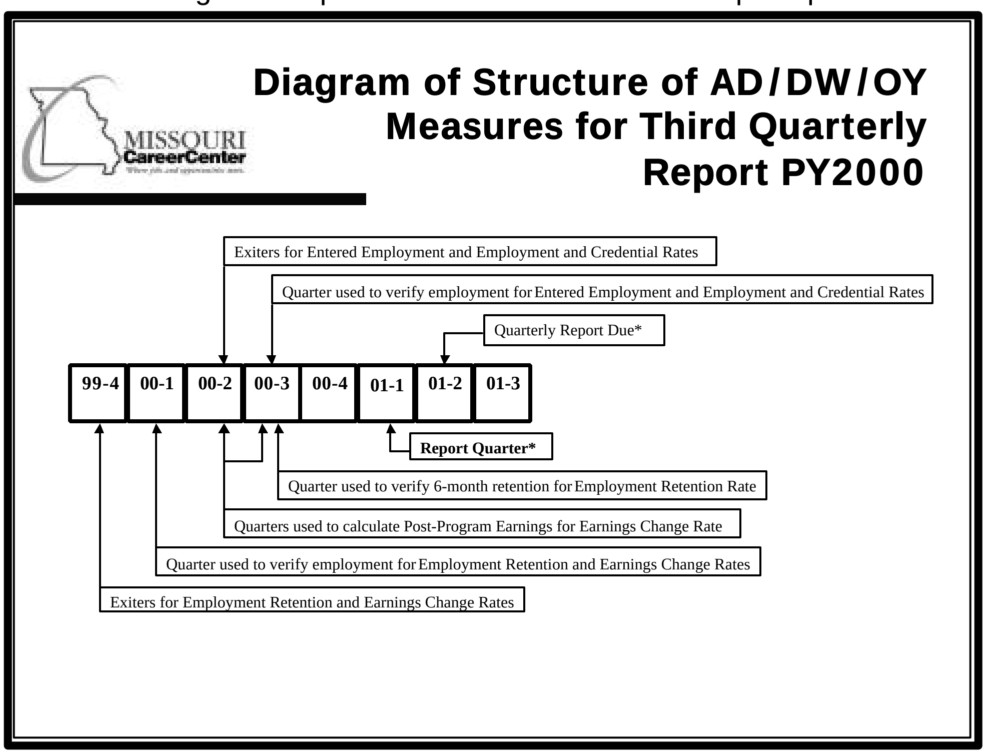
- *Clients are not usually evenly distributed over a year.* Only as a rule of thumb can areas judge the raw numbers that make up the numerator and denominator of the quarterly rates in terms of their anticipated proportion of the yearly targets. For example, if an area projected it would have 100 exiters a year in its Adult Employment Retention Rate, and the first quarterly report shows it has had 25 exiters, the area may feel it is "on track" to make its projection. Levels of service are cyclical, however, and may not be evenly distributed over a year. An area that typically serves half of its yearly population in the first quarter would be *behind* in this scenario. Consider the seasonal and cyclical trends of your local area when evaluating quarterly progress toward a baseline.

- *Some measures don't lend themselves well to local breakdowns.* Not all measures are easily broken down into subpopulations. For example, the customer satisfaction indicators are each developed using a statewide population of 500 completed surveys. This would not be meaningful to break down by area, since the random selection may result in only a few responses coming from a given particular area. To say that that relative few samples were *representative* of an area's customer satisfaction is not true. There is also the issue of *disproportionate impact* with some of the measures. The earnings change measures use an aggregate number that mitigates the effect of unusually high or low earnings figures. When these are broken down by area, however, the population is small enough that anomalous data tends to skew the results. This doesn't necessarily invalidate a local breakdown of these measures, but it makes them subject to much wider fluctuation.

- *The measures should be evaluated in totality.* In addition to looking at each indicator and its relative position to the baseline projection, look at the numbers as *groups*. For example, take a look at all three of the entered employment rates to draw conclusions about how your area is doing with its unemployed population. Look at the retention rates of all program areas, including younger youth, to evaluate your area's ability to help clients retain employment. Recall that all four retention measures use the same quarterly structure--the third quarter after exit quarter--so the numbers can be comparable. Remember also, however, that the program areas have slightly different population cohorts in some cases, i.e., older youth measures exclude those who entered postsecondary education or advanced training. Areas should also evaluate each program area's measures to see how well they are serving that particular clientele. (This, you will recall, is how State performance is evaluated for incentives and sanctions.) Do the youth measures tend to lag behind the others? Perhaps a workforce investment board needs to look into ways to improve the quality of youth services. Or perhaps the youth in this area face barriers that make performance harder to achieve. This sort of discussion necessitates evaluating the numbers holistically.

The Time Lag of Reporting

The final point that is vital to interpretation of the WIA measures is the understanding that, for most of the measures, the information reported in any given quarter is based on information from previous quarters. This "lag" is caused by the reliance of these employment-based measures on Unemployment Insurance earnings data, which takes up to two quarters to become available. The measures address this by separating the "report quarters" from the "exit quarters" upon which they are based. For example, the Entered Employment and Employment and Credential Rates reported in the quarterly report covering the first PY2000 quarter--July-August of 2000--actually used exiters from October through December of 1999. The exit quarter was *three* quarters behind the report quarter. (In this case, and in the case of the first three report quarters of PY2000, it meant that converted JTPA data was used in the calculations.) For the measures that used longer-term analysis of employment data (Retention and Earnings Change), there was a lag of *five* quarters between the exit and report quarters.



This example is shown here, with the Third PY2000 quarterly report structure, covering the period of January-March of 2001. For this report, exiters from October-December, 1999 will be used for the Employment Retention and Earnings Change/ Replacement Rates. In this case, exiters from April-June, 2000 will be used for the Entered Employment and Employment and Credential Rates. As mentioned, the data here will be cumulated with the previous quarters.

The non-employment based or "real time" measures use data from the actual PY quarters, and do not have a lag of more than one quarter. The Younger Youth Skill Attainment Rate, the Younger Youth Diploma or Equivalent Attainment Rate, and the Participant and Employer Customer Satisfaction Rates all use exiters (or goals) from the program year, beginning with July-September, 2000. It is important to know which quarters will be used, so local areas can properly gather and enter follow-up information.

DWD Outcomes

Although this is a handbook for Missouri's approach to WIA Performance, it might be beneficial to discuss how Missouri's other performance accountability system, the DWD Outcomes (or Governor's Outcomes), correlates with the WIA measures. The DWD Outcomes were established as a system-wide measure to assess the performance of Missouri's workforce system, made up of the various partners, in four main areas: entering employment, retaining employment (at 6 months and 12 months), increasing earnings, and moving above the poverty line. They are also part of the Department of Economic Development's strategic plan and the Governor's "Show Me Results", which measure the success of various agencies of State government. While the overall objectives of the outcomes are similar to those of the Workforce Investment Act, the specific definitions and time intervals have historically been different.

DWD OUTCOMES

- Increase the number of unemployed people who get a job
- Increase the number of people employed after exit who are still employed at 6 months
- Increase the number of people employed after exit and at 6 months who are still employed at 12 months
- Increase the number of people who get a job with increased earnings
- Increase the number of people who move from below the poverty line to above the poverty line

To give local areas and the State a better frame of reference for evaluating their levels of performance and make them easier to manage to, the Division of Workforce Development has *revised* these outcomes to be comparable to the WIA Measures. Henceforth, each particular DWD Outcomes report will use the same populations, refer to the same quarter of exiters, use the same quarters of UI earnings, etc. as the WIA quarterly report. This will allow areas to consider both of these measurement systems in light of their consistent placement in time. This will also allow for consideration of seasonal fluctuations, cycles, and larger economic trends. A final benefit is that they will include Wagner-Peyser clients, so areas can see how a partner's clients fare when measured in these ways.

Epilogue

We developed this handbook to discuss some of the many issues involved in WIA performance. It may answer some questions, it may provoke others; but it is our effort to add to the conversation that must take place for all of us to understand this system well enough to use it to improve the way we help people. As we do with each technical assistance session, we encourage your questions, comments, and constructive criticisms. Use the phone numbers and email addresses listed here to keep the communication lines open as we progress toward better performance.

Questions???

Call

Michael Waltman or **Roger Baugher**

(573) 751-7897

Or e-mail

To: **mwaltman@co.wfd.state.mo.us**

Cc: **rbaugher@ co.wfd.state.mo.us**

To learn more about the performance measurement and reporting system under the Workforce Investment Act, read:

- Training and Employment Guidance Letters (TEGLs) 7-99, 8-99, and 14-00 at www.usworkforce.org. Click on the “Performance Accountability” link.

For information on WIA in Missouri, read:

- Missouri’s Workforce Investment Plan at http://www.ecodev.state.mo.us/mtec/resources.htm

Attachments:

WIA Performance Formula Sheet
Issuance 7-00
Jan 29, 2001 memo, “Entering WIA Registrant Data in Toolbox for Performance”
Dec 21, 2000 memo, “Managing Workforce Investment Act Exits and Follow-up Services”

WIA PERFORMANCE FORMULA SHEET

Adult Measures

1. ENTERED EMPLOYMENT RATE
*[*Items in italics always apply to Numerator and Denominator]*
Of those who are not employed at registration:

Number of adults who have entered employment (***Show UI wages>0***) by the first Qtr after exit
____
Number of adults who exit during the Qtr

2. EMPLOYMENT RETENTION RATE
*Of those who are employed (**show UI wages>0**) in the 1st Qtr after exit*:

Number of adults who are employed (***show UI wages>0***) in 3rd Qtr after exit:
____
Number of adults who exit during the Qtr

3. EARNINGS CHANGE IN SIX MONTHS
*Of those who are employed (**show UI wages>0**) in the 1st Qtr after exit*:

[Total Post-Program Earnings (earnings in Qtr 2 + Qtr 3 after exit)] - [Pre-Program Earnings (earnings in Qtr. 2 + Qtr. 3 prior to registration)]
____
Number of adults who exit during the Qtr

4. EMPLOYMENT AND CREDENTIAL RATE
Of those who receive training services:

Number of adults who were employed (***show UI wages >0***) in the 1st Qtr. after exit and received a credential by the end of 3rd Qtr after exit
____
Number of adults who exit during the Qtr

Dislocated Worker Measures

5. ENTERED EMPLOYMENT RATE

Number of DW who have entered employment (***Show UI wages>0***) by the 1st Qtr. after exit

---

Number of DW who exit during the Qtr

6. EMPLOYMENT RETENTION RATE

*Of those who are employed (**Show UI wages>0**) in the 1st Qtr. after exit:*

Number of DW who are employed in 3rd Qtr. (***Show UI wages>0***) after exit

---

Number of DW who exit during the Qtr

7. EARNINGS REPLACEMENT RATE

*Of those who are employed (**Show UI wages>0)** in the 1st Qtr. after exit*:

[Total Post-Program Earnings (earnings in Qtr 2 + Qtr 3 after exit)]

[Pre-Program Earnings (earnings in Qtr. 2 + Qtr. 3 prior to dislocation)]*

* For DW with no date of dislocation or whose dislocation date is after the registration date, Qtrs. 2 + 3 prior to registration will be used.

8. EMPLOYMENT AND CREDENTIAL RATE

Of those who receive training services:

Number of DW who were employed (***show UI wages >0***) in the 1st Qtr. after and received a credential by the end of 3rd Qtr. after exit

---

Number of DW who exit during the Qtr

Older Youth (19-21 years old) Measures

9. ENTERED EMPLOYMENT RATE

Of those who are not employed at registration and who are not enrolled in post-secondary education or advanced training in the first quarter after exit:

Number of OY who have entered employment (***Show UI wages>0***) by the end of the 1st Qtr. after exit

---

Number of OY who exit during the Qtr

10. EMPLOYMENT RETENTION RATE

*Of those who are employed (**Show UI wages>0**) in 1st Qtr. after exit and who are not enrolled in post-secondary education or advanced training in the third quarter after exit:*

Number of OY who are employed in 3rd Qtr. (***Show UI wages>0***) after exit

____

Number of OY who exit during the Qtr

11. EARNINGS CHANGE IN SIX MONTHS

*Of those who are employed (**Show UI wages>0**) in 1st Qtr. after exit and who are not enrolled in post-secondary education or advanced training in the third quarter after exit:*

[Total Post-Program Earnings (earnings in Qtr 2 +Qtr 3 after exit)] - [Pre-Program Earnings (earnings in Qtr. 2 + Qtr. 3 prior to registration/application**)**]

____

Number of OY who exit during the Qtr

12. CREDENTIAL RATE

Number of OY who are in employment (***Show UI wages>0***), post-secondary education, or advanced training in the first Qtr after exit and received a credential by the end of 3rd Qtr after exit

____

Number of OY who exit during the Qtr

Younger Youth (14-18 years old) Measures

13. SKILL ATTAINMENT RATE

Of all in-school youth and any out-of-school youth assessed to be in need of basic skills, work readiness skills, and/or occupational skills

Total number of basic skills + number of WR skills + number of Occ. Skills **attained**

____

Total number of basic skills goals + number of WR skills goals + number of Occ. skills goals **set**

* Success of skill attainment goals will be recorded in the quarter of goal achievement, while failure will be recorded in the quarter one year from the time the goal was set if not attained by such time.

14. DIPLOMA OR EQUIVALENT ATTAINMENT RATE

Of those who register without a diploma or equivalent:

Number of YY who attained a secondary school diploma or equivalent by the end of the 1st Qtr. after exit

____

Number of YY who exit during the Qtr, except those still in secondary school at exit

15. RETENTION RATE

Number of participants found in one of the following in the 3rd Qtr. after exit:

— post secondary education
— advanced training
— employment (***Show UI wages>0***) in the 3rd Qtr. after exit
— military service
— qualified apprenticeships

____

Number of YY who exit during the Qtr, except those still in secondary school at exit

Customer Satisfaction Measures (across funding streams)

16. Participant Customer Satisfaction

The weighted average of participant ratings on each of the 3 questions regarding overall satisfaction reported on a 0-10 scale.

17. Employer Customer Satisfaction

The weighted average of employer ratings on each of the 3 questions regarding overall satisfaction reported on a 0-10 scale.

DWD ISSUANCE 07-00

SUBJECT: WIA Credential Definition

1. Purpose: To provide the State definition of "credential", and outline required elements for an acceptable local definition of "credential", for use in determining performance under the Workforce Investment Act of 1998.

2. Substance: Training and Employment Guidance Letter (TEGL) 7-99 received from the U.S. Department of Labor requires States to measure the credential attainment rate for adults, dislocated workers and older youth who have obtained employment. TEGL 7-99 gives a broad definition of "credential", and delegates to States the responsibility to define specifically which items will be allowed to count toward this measure.

   In accordance with TEGL 7-99 and in consideration of the feedback received from local areas, Missouri is defining a "credential" to be any of the following:

   A. A certificate, diploma, degree or statement of competency awarded by an eligible training provider which is on the state approved list required under Section 122 of the Workforce Investment Act.

   B. Completion or attainment of any of the following:

      - High School diploma;
      - General Educational Development (GED); or
      - Certificate, diploma, associate, bachelor, graduate or higher degree issued by an institution of higher education that is legally authorized to offer postsecondary education.

   C. A locally defined and documented credential which meets the following criteria:

      A certificate or diploma awarded by a training provider (including an On-the-Job-Training [OJT] employer/provider) that has undertaken the following:

      - Identified the specific competencies, tasks, or skills attained by the participant. The competencies, tasks, or skills shall be identified by:
         - Employer input at the national, state, regional, or local level;

- Reviewed on an annual basis or periodic basis that is identified;
- Developed and implemented curriculum to support instruction of the competencies, tasks, or skills; and
- Confirmed attainment or completion of competency, tasks, or skills through valid and reliable testing or demonstration of competence, tasks, or skills.

- Obtained endorsement of the local Workforce Investment Board (WIB). In endorsing the credential the WIB shall confirm:

  - Initial and periodic employer involvement;
  - Use of curriculum or instruction consistent with the competency, tasks, or skills for which the credential is issued; and
  - Use of testing or demonstration of competence that reasonably confirms that the competencies, tasks, or skills have been obtained.

3. Action: This Issuance will become retroactively effective to July 1, 2000 upon approval by appropriate authorities. Local areas should follow this guidance in determining whether a training certification received by a recipient of Workforce Investment Act (or Partner Funded) training services constitutes a credential, for the purposes of inclusion in the WIA performance measures. The data for this credential measure will be gathered locally. Local staff will use the follow up process to find which WIA clients have attained a credential by the end of the third quarter after exit, and enter this information into the Toolbox case tracking system. Areas should attain verification of the credential and retain it in the client's file for purposes of monitoring.

The State is giving WIBs the flexibility to delegate the endorsement of OJT contracts to a designated individual, rather than have each contract go before the WIB. This is to accommodate the need for a quick process time with such contracts. The WIB would be held responsible for any compliance/monitoring issues. Other types of locally defined credentials should be evaluated on their own merit by the WIB, in accordance with Option C.

4. Contact: Questions or comments regarding this Issuance should be directed to Roger Baugher or Michael Waltman at (573) 751-7897 or your assigned Regional Coordinator.

TJ/RB/MW/dp

January 29, 2001

MEMORANDUM FOR WIA LOCAL CONTACTS

From: Tom Jones

Subject: Entering WIA Registrant Data in Toolbox for Performance

The program in Toolbox to calculate the WIA performance measures has been completed and preliminary figures generated. As you know, the formulas for the measures use data from Unemployment Insurance earnings and other sources, but the rest of the necessary data is input locally based on follow-up. If this data is not being appropriately collected and entered into Toolbox, the measures will be artificially low for your area and the State. In this memo, we are providing an explanation of which measures require data to be entered locally so that areas capture this data and optimize their performance.

1. **The Adult, Dislocated Worker, and Older Youth Employment and Credential Rates**: This measure counts the number of WIA clients who received a credential, of those who received training services and were employed at the first quarter after exit. While the State will access the UI data to verify employment, local areas must follow up with each appropriate client at regular intervals after exit to see if they attained a credential by the end of the third quarter after exit. If the client has attained the credential and can provide the documentation (Types of acceptable credentials are listed in DWD Issuance 07-00), areas will enter it as an "Outcome" under "Credential Type".

   There are eight options here, including type of credential, i.e., Occupational Skills License, BA or BS diploma/degree, etc. (If it was a credential received pursuant to Option C of Issuance 07-00, "Locally-Defined Credentials", select "other"). You can also select "No credential received, individual received training" or "N/A did not receive training" if applicable. With this measure, as with the other ones mentioned here, if you do not enter the credential as an outcome, you will not get the credit.

2. **All four Older Youth Measures:** *For Older Youth who have entered into postsecondary education or advanced training*, this information is used as criteria to include these youth in some measures and exclude them from others. Entry into either of these two activities must be assessed in the first quarter after exit and the third quarter after exit. In both cases it must be entered locally from follow-up input as an "Outcome". There are three options in this outcome, including "Entered postsecondary training", "Entered advanced training", and "Did not enter further training". These items must be appropriately entered to get credit for the Older Youth measures.
3. **All three Younger Youth Measures:**
   a) *The YY Skill Attainment Rate* is calculated solely using locally-inputted data. The case manager must input each goal set as part of the client's individual service strategy under "Goals", and later input whether the goal was attained. This option will allow entering of a Goal Description, Goal Type (Basic Skills, Occupational Skills, Work Readiness), Date Set, Date Attained, and then Goal Attainment ("Attained", "Set but attainment pending", and "Set but not attained"). Recall that a Younger Youth may set up to three goals a year and has up to a year to attain it.

b) *The YY Diploma or Equivalent Attainment Rate* counts the number who attained a secondary school diploma or equivalent by the end of the first quarter after exit (of those who registered without one). Areas must contact youth at follow-up to see if this item has been attained. If so, it must be entered as an "Outcome", under "Youth Outcome". This has four options, including "Attained a secondary school (high school) diploma", "Attained a GED or high school equivalency diploma", "Attending secondary school at exit" and "Did not attain diploma or equivalent." All four of these options will impact performance and must be entered appropriately.

c) *The YY Retention Rate* compares those who *entered* postsecondary education, advanced training, employment, military service, and qualified apprenticeships by the end of the *first* quarter after exit with those who *retained* any of these by the end of the *third* quarter after exit. Both those circumstances must be inputted locally as an "Outcome" based on follow-up data. There are options for all five of the Retention outcomes for first and third quarters, and include an option for "Did not enter (or "Was not retained") in any of the above". (One note with the *employment* component of the Retention measure is that it will be verified at the State level using UI earnings data.)

Be advised that <u>areas can and should go back and count the outcomes of past exiters</u>. For example, by the end of the present quarter (Jan-Mar of 2001) areas can count credentials attained by exiters from Apr-Jun of 2000. Furthermore, Toolbox is temporarily being "opened" to allow areas to enter outcome data on exiters all the way back to Oct-Dec of 1999. Please refer to TEGL 7-99 and Federal Register Notice: Workforce Investment Act Standardized Record Data (WIASRD), Attachment III to see which exiters will be included in the PY 2000 Quarterly Reports. Both are available at www.usworkforce.org.

This information should be made available to all staff who work with client data in Toolbox. Again, it is imperative that area personnel understand which measures require locally-inputted data to be calculated. This is the key to ensuring the accuracy of the data and optimizing the performance of each area. WIB personnel and Career-Center operators should also understand this when utilizing the WIA performance measures for local management and service delivery decisions. DWD plans to send out local performance reports in May. These local reports and the various reports presently available via Toolbox should give areas ample feedback on their level of performance.

Please continue to communicate any needs and/or suggestions to your partners with the Division of Workforce Development and take advantage of the technical assistance available. If you have any performance questions, call Roger Baugher or Michael Waltman at (573) 751-7897, or for any Toolbox data entry questions, call Colleen MacEachen at (573) 751-2220.

TJ:MW:dp

December 21, 2000

MEMORANDUM FOR WIA LOCAL CONTACTS

From: Tom Jones

Subject: Managing Workforce Investment Act (WIA) Exits and Follow-Up Services

This document is intended to provide guidance for the administration of Workforce Investment Act exits and follow-up services for adults, dislocated workers, and youth throughout the State of Missouri. It is based on Policy Letter WIA-3 developed by the Workforce Investment Board of Southeast Missouri, and additional guidance from USDOL contained in WIA Management Information and Reporting System, sent to Office of Management and Budget on December 8, 2000.

Exit defined

The exit date is the last date of WIA-funded or partner-funded service received, except for post-exit follow-up services. An "exit" is used to determine when to count an individual in a specified reporting period under WIA. Each individual becomes part of an exit cohort--a group determined to be "exiters" within a particular quarter--and are looked at together for the purposes of performance accountability. For all of the Core WIA measures, except the Younger Youth Skill Attainment Rate and the Employer Customer Satisfaction Measure, exit is used to determine when to count an individual in a specified reporting period.

As indicated in U.S. Department of Labor Training and Employment Guidance Letter (TEGL) 7-99, exiters are determined in one of two different ways during a quarter:

1) Hard exit: a participant (WIA registered client) with a date of case closure (formerly called a termination) from WIA-funded or non-WIA funded partner during the quarter.
2) Soft exit: a participant who does not receive any WIA-funded or non-WIA funded partner service for 90 days and is not scheduled for future services except for follow-up services.

For a soft exit, the exit date cannot be determined until 90 days has elapsed from the last date of service, at which time the exit date recorded is the last date of non-follow-up services. Both types of exit function the same for deciding which exit cohort a WIA registrant will be in. If a participant exits WIA--either with a soft exit or a hard exit--and later needs additional WIA services (besides follow-up), that participant can be re-registered and treated as a new participant for the purposes of the performance measures.

Toolbox has been configured with an "Exit" option to allow areas to manually exit an individual once WIA-funded or partner-funded services have been completed. This option also provides the options of indicating whether the exit was due to the client being institutionalized, a health/medical condition, or deceased. These exit cases are excluded from the performance measures.

Follow-Up services

Follow-up services must be available for a minimum of twelve months after the first day of employment, to registered participants who are placed in unsubsidized employment. Follow-up is more than contact; it is also the mechanism for gathering some of the data that is used in calculating the WIA measures. For example, area case managers will touch base with WIA clients who received training services at regular intervals to see if they have received a credential. Once received, the case manager will input this information into Toolbox as an "outcome". State staff will subsequently use this data in generating the WIA Employment and Credential measures for federal reports. Local follow-up input will also be used to gather data for the Younger Youth measures: Skill Attainment Rate, Diploma or Equivalent Attainment Rate, and Retention Rate. Follow-up should also include assisting (and prodding, if necessary) clients toward completing the goals they have set. It may include counseling regarding the workplace, advice on improving soft skills, or other services to help them successfully retain their employment.

Managing Exits

As mentioned, exit is only performed when WIA-funded or partner-funded activities have been completed. For the times when a client is referred to a partner for services, it is crucial for the case manager to ensure that communication with partner staff is sufficient to ensure accurate revision of estimated completion dates and exit date. If this isn't done, the client can be soft exited and have an inaccurate performance result, since he/she is still being served. New guidance from USDOL shows how partner services can be tracked and reported. (Consider the following items from Attachment E of the WIA Management Information and Reporting System, p. 46: this information can be found at http://usworkforce.org/resources/accountability.htm.)

What partner services may be tracked and reported?

Areas should report only those programs that fund activities coordinated with the individual's WIA service plan or through follow-up services. Do not report partner services that the individual obtains on his/her own or that are not coordinated with the individual's WIA title 1-B activities.

Can all partner services be used to extend the exit date?

The only partner services that can extend the exit date are those services that would extend the exit date if they were funded by WIA title 1-B. These include services that would qualify under WIA as core services (other than informational or self-service), intensive services, training services, or youth activities (except for follow-up services). They include similar employment and training activities, such as Adult Literacy Training. They do not include services that provide income support (e.g., Food Stamps, TANF grants, Unemployment Compensation).

May an individual be exited when WIA Title 1-B services are over, but partner services continue?

Receipt of partner services called for in the WIA service plan can extend the exit date, which triggers measurement of outcomes. However, the person should exit from WIA when the services in the WIA service plan are finished, even if the other partner services continue. Thus a 'hard' exit may be recorded whenever the service plan is finished.

Some have asked how employment affects the exit date. A client getting a job should not by itself trigger an exit, as it did under JTPA. The decision regarding whether or not to exit the participant should include deciding what, if any, post-employment services should be planned, and identifying and communicating the need for follow-up services. Locally-verified "entered employments" or "placements" established at exit are no longer a measure of accountability. The WIA Entered Employment Rate performance measure reflects only WIA registrants who were unemployed at registration and who show UI wages the quarter after exit. This calculation is done at the State level.

Managing exits is more than tracking and recording; it is also function of post-exit strategies for dealing with customers. Service delivery to participants usually is more difficult post-exit than it is pre-exit, so employment consultants should implement pre-exit meetings with participants. Goals for such meetings would include:

(i) congratulate and celebrate their accomplishments;
(ii) reconfirm the exit decision;
(iii) identify the need for follow-up services and create the want;
(iv) restate the post-exit service plan;
(v) promote the first post-exit service;
(vi) assess customer satisfaction, resolve any dissatisfaction, and remind the participant of satisfaction;
(vii) ask how they would like to be contacted;
(viii) tell them how they will be contacted; and
(ix) continue to build the relationship.

The need to ascertain customer satisfaction cannot be overemphasized, because under WIA, customer satisfaction of both job seekers and employers are two of the mandated performance measures our system will be judged upon. So it becomes extremely important that areas pre-determine what the level of customer satisfaction is and how it can be improved upon to ensure a successful performance measure. Areas may want to implement additional or different post-exit strategies with the longer-term measures, such as the Credential Rates. WIA clients who have received training services have up to three quarters after exit to achieve a credential. As indicated, gathering this data will take some form of follow-up activity.

Youth Follow-Up Services

All registered youth must receive some form of follow-up services for a minimum of twelve months after exiting the program--with or without entering employment. These services may be performed for more than twelve months if necessary.

Follow-up services for youth may include: (i) leadership development (opportunities that encourage responsibility, employability, and other positive social behaviors) and support service activities (linkages to community services, assistance with transportation, assistance with child and dependent care, assistance with housing, referrals to medical services, and assistance with uniforms or other appropriate work attire and work-related tools); (ii) regular contact with the youth's employer, including assistance in addressing work-related problems that arise; (iii) assistance in securing better paying jobs, career development and further education; (iv) work-related peer support groups; (v) adult mentoring, and; (vi) tracking the progress of youth in employment after training.

In summary, the exit of Workforce Investment Act programs elicits a different set of strategies than under the Job Training Partnership Act. It has a new relevance in both the way performance is measured, and the way clients are served. Take time to reevaluate the way in which clients are served around the time of exit, and consider innovative ways to maximize customer satisfaction and results.

This information should be made available to all staff who work with customers. Please continue to communicate any needs and/or suggestions to your partners with the Division of Workforce Development and take advantage of the technical assistance available. If you have any questions, call Roger Baugher or Michael Waltman at (573) 751-7897.

TJ:RB:MW:dp

Missouri Division of Workforce Development

Workforce Investment Act
Performance Handbook

Addendum 1:

SUPPLEMENTAL DATA

Supplemental Data

Missouri has elected to use supplemental data for verification of employment in WIA Performance, as indicated in Issuance 01-01: Use of Supplemental Data for WIA Performance Reporting (attached). Effective July 1, 2001, Missouri will permit the use of supplemental data as outlined in TEGL 7-99 to establish employment status for clients who do not show up in Unemployment Insurance (UI) wage records. Since employment is a criterion for inclusion in virtually all the Adult, Dislocated Worker, and Youth measures, all possible means should be allowed to verify it. Supplemental data may be used to verify employment in the first quarter after exit for the Entered Employment, Employment Retention, and Credential Measures. Supplemental data may also be used to count as verification of employment in the third quarter after exit for the Retention Measures. Supplemental data will not count toward the Earnings Change/ Replacement Measures. The information herein relating to supplemental data supersedes any references in the *WIA Performance Handbook* about the exclusive use of UI wage data to verify employment for the abovementioned WIA Performance Measures.

CASE IN POINT-Supplemental Data Use

Say you have an unemployed Adult who was WIA registered and received core, intensive, and training services. After completing a credential as defined in Issuance 7-00, she exits WIA services and begins several successful months of employment with the US Post Office. Under the previous policy, would she count in the Adult Employment and Credential Rate (AECR)? No, since the post office *is not a UI reporting employer.* Her employment information will not by picked up by Missouri wage data or WRIS. For all practical purposes, she will show up as unemployed, which will preclude her from the AECR.

Under the Supplemental Data policy, however, the case manager would verify her employment after exit via follow-up, secure the proper documentation, and enter her status as employed in the Toolbox dropdown box. Since she has obtained training, employment and a credential, she will now count positively toward the Credential Rate. She is also now eligible to count toward the Adult Employment Retention Rate, so the case manager should be sure to follow up in the same way with her over the third quarter after exit. Since she was unemployed at the time of registration, she will also count in the Adult Entered Employment Rate. The supplemental data policy allowed her to be included positively in three measures in which she otherwise would not have.

In PY'2000, the performance measurement system used only one source for verifying employment for use in WIA Performance: Missouri UI wage data. If a client shows any Missouri UI wages in the quarter after exit, he or she is counted as employed. A client who obtained employment at a non-UI reporting agency or at any place out of state that cannot be verified was not considered employed. The State plans to address the out-of-state employment situation by participating in the Wage Record Interchange System (WRIS). This federal program will allow Missouri to access WIA clients' UI wage data in other states. Any wages verified in this manner would be considered employment for inclusion in WIA performance. However, this system may still miss some of the employment obtained by participants in Missouri's workforce system. (See case in point above). By using supplemental data sources, or sources other than UI wage data, to verify employment, areas will recover much if not all of this "lost" employment.

Section 5.H of TEGL 7-99 states the following about how to define employment:

> "When supplemental data sources are used, individuals should be counted as employed if, in the calendar quarter after exit, they did any work at all as paid (i.e., received at least some earnings), worked in their own business, profession, or worked on their own farm."

As this indicates, supplemental data will be considered the same as UI wages when verifying employment.

For WIA performance, employment can be categorized by the source of employment and the means used to verify it. See the example below of three categories created by these three scenarios. As this indicates, virtually all clients who enter some kind of employment can now be tracked and included in WIA Performance under the supplemental data policy.

	Scenario 1	***Scenario 2***	***Scenario 3***
Employed in:	UI-reporting job in Missouri	UI-reporting job in other state	Non UI-reporting job or any out of state job
Verified via:	Missouri UI Wage data	WRIS	Supplemental Data

Acceptable documentation
Local areas will have to document each record of employment verified with supplemental data. Sources of that verification will vary substantially, based on the source of information. In TEGL 14-00 Attachment E, WIASRD item 602 lists two coding options for sources of supplemental data: 1) case management, follow-up services, surveys of participants, and/or verification with the employer; and 2) Record sharing and/or automated record matching with administrative records. These databases include, but are not limited to:

- Office of Personal Management (Federal Career Service);
- United States Postal Service;
- Railroad Retirement System;
- State Department of Revenue or Tax (State income tax for self-reported occupations);
- US Department of Defense; and
- Government Employment Records (State government, local government, judicial employment, public school employment, etc.)

Missouri's supplemental data policy concentrates on the first of these two sources. However, even with follow-up there are several contingencies involved in arriving at the final verification source. This case in point illustrates:

CASE IN POINT-Acceptable Documentation

A local area has a client who moves to a neighboring state after exiting WIA services in Missouri. He finds full-time employment with a factory and works over the duration of the quarter after exit. When it comes time to calculate performance, the system will examine Missouri UI wage records for this client. Not finding any, it will access the Wage Record Interchange System for other states' UI data. *But what if this neighboring state is not a participant in WRIS*? The system will not find any employment here either, and the client will count against performance under the *current* policy.

At this point the supplemental data comes into play: the case manager can contact the human resources department at the factory and obtain written documentation of the employment period. If the employer is unwilling or unable to submit the documentation, the client can sign the Self-Attestation of Employment form included in Issuance 01-01, attesting to the employment. If the case manager cannot locate the client, he or she can call the WIA agency in the neighboring state and see if it can send written confirmation that the client showed up in the state's UI wage reporting system. Receiving this type of confirmation, or any of the other scenarios, the case manager can count the client as employed.

As you can see, there are many options available to case managers to verify the employment of clients and make sure they are included in the many measures for which they are eligible.

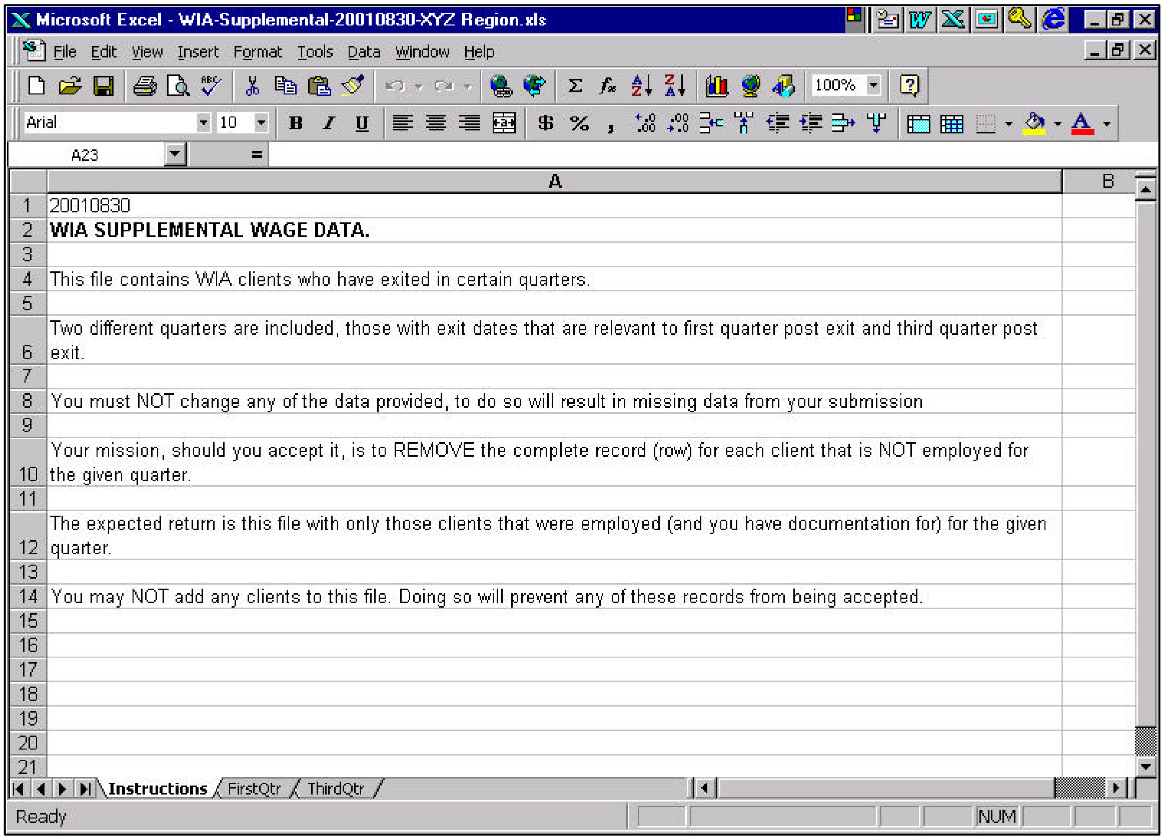
In many cases, self-attested supplemental data is the *only* means to verify employment. These may be occupations that are not part of an established corporation or business entity and may include many employment endeavors not thought of as "official" employment:

- Self-employed farmer, contractor, plumber, etc.
- Freelance writer
- Temporary or seasonal worker
- Entrepreneurial businessperson
- Neighborhood hair and beauty salon worker

Under the supplemental data policy, these are no longer occupations for which credit cannot be taken, just because there is no third-party documentation. Local staff should be exhaustive in documenting every possible form of employment, including the ones for which only self-attestation is an option.

Data Gathering

As indicated, supplemental data is used to verify employment for clients who do not show up in Missouri's UI wage records. Because local areas do not have access to UI wage data, the Division will begin distributing WIA Supplemental Wage Data spreadsheets to each local area (see example below), for the quarters of PY 2001. These are lists of WIA exiters from particular quarters who did not show up in UI wage records. Staff can use these lists as a reference to contact clients to verify employment in the first and third quarters after exit. Per the instructions in the sheet, local areas will forward the updated spreadsheet back to the Division. Toolbox is being equipped with a program that will take information from the spreadsheets and integrate it into the embedded equations that calculate WIA performance.



Like the other follow-up information that must be gathered as part of WIA case tracking, employment verification must be entered correctly to count toward performance.

Time Lag

Issuance 01-01 states that the Supplemental Data policy goes into effect July 1, 2001. Each performance report uses exiters from previous quarters, so local areas will follow-up with exiters from the appropriate quarter *prior* to the PY quarters to verify employment using supplemental data. For example, the report from first PY 2001 quarter (Jul-Sep, 2001) will use exiters from *three* quarters before (Oct-Dec, 2000) for the Entered Employment and Employment and Credential Rates and *five* quarters before (Apr-Jun, 2000) for the Employment Retention Rates. Local areas will need to follow up with exiters from these quarters and the subsequent ones to have the necessary information for the PY 2001 performance reports. See Training Employment Guidance Letter 14-00, Attachment F for more information about the quarterly structure of the WIA Performance Measurement System.

Local Performance Negotiations

As there will now be an increase in the number of people whose employment will count toward performance, there should be a commensurate increase in negotiated performance levels as well. Local areas should estimate the level of increase that can be expected under the new Supplemental Data policy. The increase is a function of many intangibles, such as past experience with how many clients are typically contacted via follow-up, anticipated "lost" employment to non-UI or out-of-state employment, as well as overall changes in the number and type of WIA clients served. As with the original projection development, local areas should work with partners to get a complete view of what level is possible. Using these and other factors, try to create an approximation of anticipated increased performance. The table above represents one approach.

Projection Revision with Supplemental Data Policy	
A. WIA Clients eligible for inclusion in WIA Performance	1000
B. Number of "lost" clients who typically enter non-UI or out-of-state employment	200
C. Percentage of these clients who can typically be contacted via follow-up	75%
D. Estimated number of clients "recovered" by Supplemental Data verification of employment (B X C)	150
E. Previous projected level	800
F. Increased projected level (E + D)	**950**

Conclusion

This Supplemental Data policy insures that Missouri's WIA performance can fully convey the benefit its clients receive from its workforce system. Missouri has the highest number of neighboring states, and should have a performance policy that allows for the issues that arise from this. While this policy may require more effort on the part of case managers, it will ensure that no area suffers unduly from having a large portion of its population migrate out of the area or enter non-UI employment.

To prepare for this new strategy, local areas should begin developing methods for follow-up employment verification that are best integrated with current follow-up data collection methods. They should also ensure that the subsequent data entry is entered correctly in Toolbox. Finally, they should work with the local Workforce Investment Boards to develop different strategies for dealing with clients after they enter covered or non-covered employment. If the supplemental data policy is implemented correctly, future performance will increase from what it would have been without it. On the other hand, if this policy is not properly implemented, Missouri will continue to have understated performance.

Questions???

Call

Michael Waltman or **Roger Baugher**

(573) 751-7897

Or e-mail

To: **mwaltman@co.wfd.state.mo.us**

Cc: **rbaugher@ co.wfd.state.mo.us**

PLANNING AND RESEARCH

Attachment:
Issuance 01-01

MISSOURI
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Governor

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July 6, 2001

DWD Issuance 01-01

Subject: Use of Supplemental Data for WIA Performance Reporting

1. <u>Purpose:</u> To allow local areas to use employer and customer follow-up to supplement UI wage data in WIA performance reporting.

2. <u>Substance</u>: Effective 7/1/2001, Missouri will permit the use of supplemental data as outlined in TEGL 7-99 to establish employment status for clients who do not show up in UI wage records. Supplemental data may be used to verify first quarter employment for the Entered Employment, Employment Retention, and Credential Measures. Supplemental data may also be used to count as verification of employment in the third quarter after exit for the Retention measures. Supplemental data will not count toward the Earnings Change/ Replacement Measures.

   While the majority of employment in Missouri's workforce is "covered" and will be in the UI wage records, certain types of employers and employees are excluded by Federal unemployment law standards or are not covered under the State's UI law. Among the groups of employees that are not covered are typically, Federal employees, postal service employees, military, railroad employees, employees of employers that are out-of-state, those who are self employed, some agricultural workers, and employees whose earnings are based on commissions. TEGL 7-99 recognizes two primary methods of obtaining supplemental employment information of these "uncovered" employees. These are:

   1) case management, follow-up services, surveys of participants, and/or verification with the employer; and

   2) Record sharing and/or automated record matching with administrative records. These databases include, but are not limited to:

- Office of Personal Management (Federal Career Service);
- United States Postal Service;
- Railroad Retirement System;
- State Department of Revenue or Tax (State income tax for self-reported occupations);
- US Department of Defense; and
- Government Employment Records (State government, local government, judicial employment, public school employment, etc.)

Local areas may utilize either of these methods, as described, to follow-up on participants that have exited all WIA services. As it provides the strongest independent documentation Records Sharing is the preferred form of verification and must be used whenever possible. Follow-up surveys of participants and employers should only be used if third party verifications are not reasonably attainable. In either case appropriate documentation must be maintained in the participant file.

Local areas may wish to establish mutual assistance agreements with One-Stop Operators of Workforce Investment Boards in adjoining states to access and interchange the UI wage records information on participants who enter employment across state lines (verification that the client appears in that State's Wage record with earnings more than zero, actual exchange of wage records is not required). A formal state to state agreement called the Wage Record Interchange System (WRIS) is being developed and will eventually allow for such exchanges to be managed at the state level. But until the system is activated and all adjoining states are members of the interchange the state will depend on supplemental information to determine state and local area performance in the Entered Employment, Employment Retention, and Credential Measures.

A statistically valid sample of the documentation of supplemental verification will be included among the participant files reviewed by Field Services Staff of the Division of Workforce Development during their continuous improvement reviews. Acceptable documentation of employment and employment retention may include, but is not necessarily limited to:

- Letters, personnel forms or printouts from the Office of Personnel Management, U.S. Postal Service, Railroad Retirement Service, U.S. Department of Defense, and other State and Local Government Employment entities;
- State Department of Revenue or Tax Records;
- State Incorporation and local business licensing records (for self employed);
- Letters, rosters, payroll records or pay stubs from employer;
- Employment attestation forms (copy attached) signed by employer; or
- Telephone contact form (copy attached) documenting that either the employer or the participant has been contacted and the employment

information that is provided (telephone contacts are acceptable as primary means for documentation of retention but should be used only as a last resort for initial employment).

Acceptable documentation of receipt of a credential may include, but is not necessarily limited to:

- A copy of the credential received;
- A letter from the institution or entity issuing the credential;
- Telephone Contact forms (copy attached) documenting that either the training entity or the participant has been contacted, and the credential information that is provided.

3. Action — Local areas should conduct supplemental verifications on (at the discretion of the local area) either all exited participants or all exited participants who are at a high risk of not being included in the UI database. Results should be entered into the appropriate field on the Toolbox Case Management System and documentation retained in the participant file. For additional information local areas should consult *WIA Performance Handbook, Addendum 1, Supplemental Data.*

4. Contact: — Questions or comments regarding this issuance should be directed to Lindell Thurman, Manager of the Field Services Section of DWD (573-751-7895) or to Tom Reed of the Field Services Section (573-526-8240). Questions relating to WIA performance should be directed to Michael Waltman of the Planning and Research Section of DWD (573-751-7897).

5. Cross/ Historical — U.S. Department of Labor, Employment and Training Administration TEGL 7-99 and DWD Issuance 07-00.

Rick Beasley, Acting Director

RB/LT/TR/jw

Employment Attestation Form

I, _________________________________ am __________________________
(name) (job title)
and have direct knowledge that __________________________________ is an
(name of employee)
employee of ____ and has
(Employer/Company Name)
been employed by said employer since ______ _____, _________.
(month) (day) (year)

______________________________ ____________________
(Signature) (Date)

Release of Information

I hereby authorize ____
(WIA Entity)
to contact my employer to obtain information relating to my

employment for purposes of obtaining data relevant to WIA

performance.

________________________________ ___________________
(Signature) (Date)

(Release of information may be either included on the Employment Attestation Form or may be a separate document.)

Employer Telephone Contact Form

I, ________________________________, have made telephone contact with
(name of person conducting follow-up)
_________________________________ of _________________________
(name of person contacted) (employer/company name)

and have learned that _______________________________________ is
(participant name)
currently employed by said employer/company and have been so employed

since _______ ______, _________.
(month) (day) (year)

____ ___________________
(Signature) (Date)

Participant Telephone Contact Form

I, ________________________________, have made telephone contact with
(name of person conducting follow-up)
_________________________________ and have learned that he/she is
(participants name)
currently employed with _______________________________________
(employer/company name)
and have been so employed since _______ ______, _________
(month) (day) (year)

and/or

has been issued a credential by _____________________________________
(issuing institution or entity)
that meets the standards of the local Workforce Investment Board. Such

credential was issued on or after ________ _______, ________
(month) (day) (year)

____ ___________________
(Signature) (Date)

Institution Credential Telephone Contact Form

I, ___________________________________, have made telephone contact with
(name of person conducting follow-up)
____________________________________ of ___________________________
(name of person contacted) (issuing institution or entity name)

and have learned that ____ has
(participant name)
earned a credential that meets the standards of the Workforce Investment Board

as of _______ ______, _________.
(month) (day) (year)

____ ____________________
(Signature) (Date)

Participant Telephone Contact Form

I, ___________________________________, have made telephone contact with
(name of person conducting follow-up)
____________________________________ and have learned that he/she is
(participants name)
currently employed with ____
(employer/company name)
and have been so employed since _______ ______, _________.
(month) (day) (year)

Out-of-State UI Contact

I, ________________________________ am _________________________
(name) (job title)
for _______________________________ have reviewed UI records for the
(Name of entity)
State of _______________________ and have learned that

_________________________________ is an employee of
(name of employee)
____ and has
(Employer/Company Name)
been employed by said employer since ______ _____, _________.
(month) (day) (year)

______________________________ ____________________
(Signature) (Date)

Release of Information

I hereby authorize _______________________________________
(WIA Entity)
to contact my employer to obtain information relating to my

employment and/or educational attainment for purposes of obtaining data

relevant to WIA

performance.

_______________________________ ___________________
(Signature) (Date)

(Release of information may be either included on the Employment Attestation Form or may be a separate document.)

Out-of-State UI Telephone Contact Form

I, ___________________________________, have made telephone contact with
(name of person conducting follow-up)
_________________________________ who is __________________________
(name) (job title)
for ________________________________ and who has reviewed UI records for
(Name of entity)
the State of ________________________ and have learned that

__________________________________ is an employee of
(name of employee)
____ and has
(Employer/Company Name)
been employed by said employer since ______ _____, _________.
(month) (day) (year)

______________________________ ____________________
(Signature) (Date)

Missouri Division of Workforce Development

Workforce Investment Act
Performance Handbook

Addendum 2:

DATA ENTRY AND CREDENTIALS

Data Entry and Credentials

In PY'2000, the State met or exceeded many of its WIA Performance Measures. The exceptions, however, were the credential rates and the younger youth rates. This low performance was enough to jeopardize Missouri's receipt of incentive dollars, and may result in a monetary sanction if repeated. This document discusses the measures missed in PY'2000 and focuses on two main issues:

1. Apparently, data is not being consistently entered for all the necessary fields in Toolbox used for performance
   - Incomplete data entry causes performance to appear less than it should
2. The credential rates in particular may be underreported because all the facts are not known about credentials:
   - A credential has to be obtained within the specific time frame to count
   - A client has to also attain all of the elements *besides* getting a credential to be counted in the rate
   - The sequence of the training and credential is not relevant
   - You can increase the number of credentials attained in your area *by increasing the number of items that are considered a credential.* Two ways to do this are 1) increasing the number of Eligible Training Provider certifications that result in a credential; and, 2) increasing the number of WIB-Approved Credentials available in an area.

Data Entry

As Division of Workforce Development (DWD) staff examined all the elements that went into the performance measures, one critical issue appeared to be incomplete data entry. There is evidence that all the necessary data is not being consistently entered for all the performance-related fields in Toolbox. The nature of the Toolbox case tracking and performance calculating system is such that overlooking or improperly coding a single data element can make the difference between an outcome that counts for you and one that counts against you.

The more data entry a formula is reliant upon, the more it should be handled carefully. Figure 1 is an example of just how much data entry some measures require. It contains the Older Youth Credential Rate formula and all of the data elements that must be correctly entered so the client is reflected as a positive outcome in the Credential Rate.

Fig. 1. Older Youth Credential Rate Formula

* Older Youth program area
* Exit date in quarter
* Employed: [Show UI wages in Qtr1 after exit] OR [Employment verified by supplemental data]

OR

* Enrolled in post-secondary or advanced training Qtr1 after exit: [WIA Outcomes- Older Youth: By the end of First Quarter after Exit] = "Entered postsecondary education" OR "Entered advanced training"

AND

* Received a credential by end of Qtr3 after exit: [WIA Outcomes-Credential Type] = "High School Diploma/ Equivalency/ GED" OR "AA or AS Diploma/Degree" OR "BA or BS Diploma/Degree" OR "Occupational Skills License" OR "Occupational Skills Certificate or Credential" OR "Other")

--------Divided by--------

* Older Youth program area
* Exit date in quarter

The Toolbox computer coding that translates this data into a calculation is much more complex, but this figure shows what has to be entered correctly in this one measure to make the formula come out correctly. Please study this figure closely to get a feel for what elements need to be present to accurately reflect a local area's performance. As indicated earlier, the State's poor showing in the credential and younger youth measures may not be due to low performance per se, but to incomplete data entry. This often takes the form of not checking all the necessary boxes. Here are two examples:

<u>Clients being wrongly excluded or included:</u> The Older Youth Credential Rate allows Older Youth who obtained a credential but did not enter employment to still be included in the measure, provided they were in postsecondary or advanced training in the first quarter after exit. If the Older Youth student is not followed up with to find out if he was in school, however, and if the Outcome field "By the end of First Quarter after Exit" is not correctly clicked on "Entered Postsecondary Education [or "Advanced Training"]", the youth will inappropriately count negatively toward performance. Similarly, the Younger Youth Diploma or Equivalent Attainment Rate excludes those youth who are still in secondary school at exit. Say you have a 15-year-old client who exits and goes back to high school after the summer. If "Attending secondary school at exit" is not entered as an outcome under "During enrollment or by the end of the first quarter after exit", the formula will assume the client is out of school and hasn't received a diploma. This will be a "false negative".

<u>Not letting the computer know about a client's success</u>: For another example, say an adult client obtained a credential during her enrollment, and the case manager noted it in the client's WIA Case Notes and obtained a paper copy of the credential for the files. For all practical purposes, the client *has no credential* and will show up negatively in performance. The embedded equations which calculate performance do not "look at" the case notes or the paper files for evidence of a credential. They look at the Outcome field "Credential Type" to see if any of the credential types have been entered. If not, it assumes the client has no credential, and the performance numbers are calculated accordingly. It is up to the case manager to "let the computer know" that the client has obtained this outcome. The credential rates are particularly detailed and are discussed in more detail below.

If low performance is due to incomplete data entry, this may mean Missouri's Workforce System is doing a better job than the numbers indicate. Both of the cases above are examples of this underreporting of performance due to incomplete data entry. If you have any questions about what fields are used in other formulas, consult the *WIA Performance Handbook* or call DWD Planning and Research. Please work with data entry personnel and case managers to ensure that all the data elements are being entered correctly. Good performance literally depends on it.

Credential Attainment

Areas should pay particular attention to the three measures that pertain to credential attainment: the Adult Employment and Credential Rate, the Dislocated Worker Employment and Credential Rate, and the Older Youth Credential Rate. The credential measures were the ones that kept Missouri's cumulative program area averages from exceeding 100% in PY'2000. In looking for ways to increase these measures, areas should keep four things in mind concerning credentials:

1. *A credential has to be obtained within the specified time frame to count*. A client must have received a credential by the end of the third quarter after exit. That means if the client exited on June 17, 2000, a credential (as defined in Issuance 7-00) must be obtained at any point from his date of *registration* through March 31, 2001. If so, it should be verified by the case manager and entered as an outcome in Toolbox. Verification consists of contacting the client during follow-up to ask whether he has yet received a credential and if so, having him provide the appropriate documentation as provided in Issuance 01-01. And remember, it's not the date of *data entry* that must be within three quarters after exit, *it's the effective date of the credential*.

2. *A client has to also attain all the elements besides getting a credential to be counted in the credential rate*. First of all, in the Adult and Dislocated Worker Employment and Credential Rates the population of this measure *is limited to those clients who have received training*. That means that those Adults and Dislocated Workers who received only core and/or intensive services don't count in the Adult and Dislocated Worker Employment and Credential Rates. Case managers can see which clients received training (i.e., received a 300-level activity) by looking at the "Activity" column on the client lists in Toolbox. This is a good way to get a list of who should be followed up on for verifying attainment of a credential. The Older Youth Credential Rate is slightly different: it is not limited to those who received training.

   Next, a client has to be *employed* (verified by Unemployment Insurance wages or supplemental data) in the first quarter after exit to be included in the Adult and Dislocated Worker Employment and Credential Rates. Again, if the client exited on June 17, 2000, that means he or she needs to have some verifiable employment during the period of July 1, 2000-Sept 30, 2000. Make sure your case managers are following up with clients to ensure they have some employment in this crucial period. If not, the client will not count toward the rate, even if he or she received a credential. The bottom line is that a client must jump over all the "hurdles" for the credential to count in performance. Credential rates for Older Youth can include those who were employed OR in postsecondary or advanced training in the first quarter after exit AND received a credential by the third quarter after exit. Adults and Dislocated Worker credential rates can include those who received training AND obtained employment in the first quarter after exit AND received a credential by the third quarter after exit. All items (except the UI data for employment) must be verified by follow-up and entered in Toolbox as an outcome.

3. *The sequence of the training and credential is not relevant*. For Adults and Dislocated Workers, the client does not have to obtain training *before* the credential is received for it to count. For example, in a situation where a client must get her GED before she can begin Certified Nurses Assistant training the first activity may be enrollment in adult education and literacy to earn a GED. If so, the GED--once attained--counts as the credential and the C.N.A. course is the training, even though the credential occurred first. Another example might be where a client is enters an OJT in Shipping and Receiving. If the client has no experience, she might have to first receive Forklift Training Certification, which is a recognized industry credential. Both the credential and the training is given by the employer, and even if the client does not complete the OJT, she has training, employment, and a credential and will count in the rate.

4. *Finally, you can increase the number of credentials obtained in your area by increasing the number of items that are considered a credential.* Under the WIA definition of credential, anything that meets the State's definition of a credential can be counted. In Issuance 7-00, the State of Missouri lists three things that can be considered a credential for the purposes of inclusion in the measures:

   - **Option A**: Certificate, diploma, degree or statement of competency awarded by an eligible training provider which is on the state approved list required under Section 122 of the Workforce Investment Act;
   - **Option B**: High School diploma, GED, or Certificate, diploma, associate, bachelor, graduate or higher degree issued by an institution of higher education that is legally authorized to offer postsecondary education.

- **Option C**: Locally-defined and documented certificate or diploma awarded by a training provider (including an On-the-Job-Training [OJT] employer/provider) that has obtained endorsement of the local Workforce Investment Board (WIB).

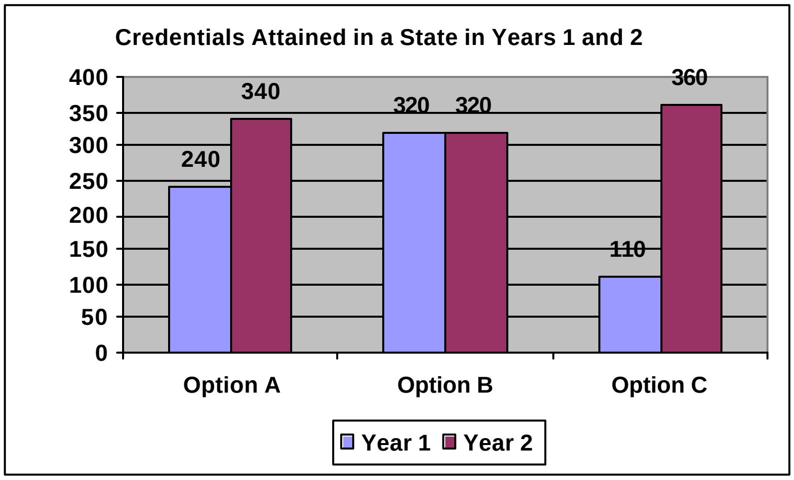
Credentials refer to more than the academic degrees achieved by clients. Areas have the opportunity to take credit for many diverse degrees and certificates allowed for by Issuance 7-00. Assuming that the number of secondary and postsecondary degrees (Option B credentials) available in a given area are somewhat fixed, there are two strategies local areas can pursue to maximize credentials: 1) increase the number of Option A items that are *tracked;* and, 2) increase the number of Option C types that are *available*.

First, areas should take advantage of being able to count Option A training certificates issued from approved training providers in the state. If an individual completes training from a Section 122 Eligible Training Provider that results in a certificate of completion, the client has received a credential. This should be entered for the client as an outcome in Toolbox. Is your area tracking all Section 122 training courses that result in a certificate? Is your area working with training providers to encourage all of them to issue a certificate? Finally, are you ensuring that *all* customers who are eligible for the credential rates are contacted and the data entered in Toolbox?

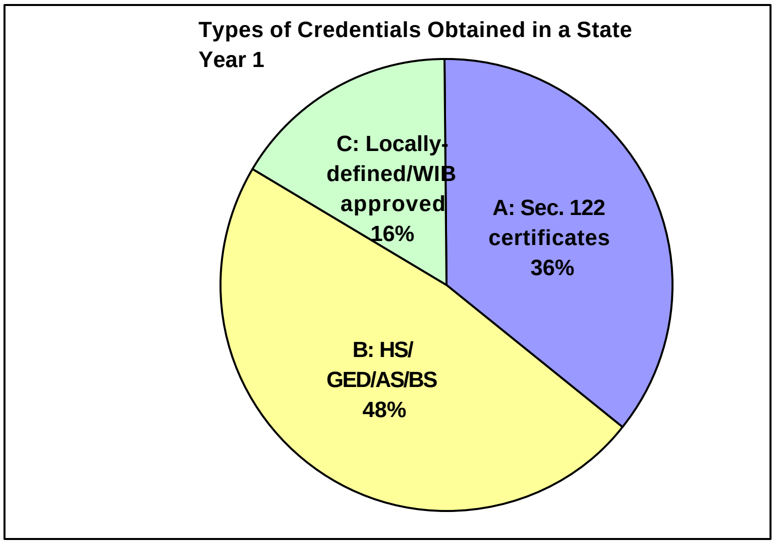
Secondly, local areas should aggressively explore the types of certificates or diplomas that could be considered a credential if they received approval from the local Workforce Investment Board. Option C credentials need to meet some specific characteristics, like employer input, demonstration of competence, tasks, or skills, etc; but if they meet Issuance 7-00 and the WIB approves them, they are bona fide credentials. Is your staff contacting the many organizations in your area to find which ones might provide some sort of training certificate that could constitute a credential? Is your area making sure that all possible OJTs result in a certificate that has WIB approval as a credential? Are your service providers or subcontractors in place to provide services that result in a credential?

Illustration

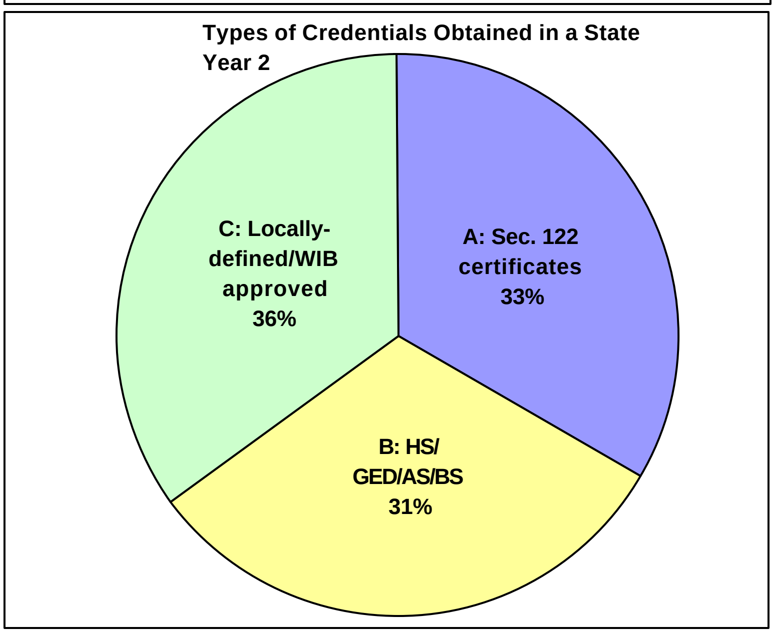
The graphs here illustrate how local areas can manage credential policies to increase the number and change the proportion of credentials attained in a state.



In Year 1 this hypothetical state obtained 240 Option A Credentials, 320 Option B Credentials, and 110 Option C Credentials. Sec. 122 certificates made up 36% of the 670 total credentials attained in this year, while WIB-Approved credentials made up 16%. In Year 2, the state had the same number of B credentials attained, but *increased* their 122 certificates to 340 and WIB-Approved credentials to 360. This increased the overall credential total to 1,020, of which Option C credentials made 36%. Because the number of exiters remained the same, *this made for much better performance in Year 2*.



The three credential types established by Issuance 7-00 facilitate different strategies for optimizing performance. Local areas should make the most of the ability to increase not only the number of credentials tracked, but the number of credentials *in existence*. WIBs have some control over how many C credentials they can generate. They have some control over how many Option A credentials come from eligible training providers. However, none of them get counted if they are not verified through follow-up and entered into Toolbox correctly.



Increasing Performance

In summary, this document underscores the importance of understanding the measures and the required data entry. For reporting performance, local areas should make sure all the necessary boxes are checked to make sure the computer captures their client's successes. For credential attainment, local areas should realize that they have the power to optimize what is tracked and available. For assessing what levels of performance are possible in credential attainment, areas should ask, "*How many opportunities for credential attainment can my area generate?*" and "*How many of these and the other credentials will clients achieve, and have entered correctly?*" Consult the *WIA Performance Handbook* for further descriptions of the elements involved in WIA performance and instructions of the Toolbox screens in which performance data is to be entered. Let the DWD Planning and Research section know if you have any questions or feedback.

Questions???

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PLANNING AND RESEARCH